9/7/83 U7475-2 A

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

SENTIMENT RECEDES FROM PEAK DUE TO INTEREST RATE CONCERNS

** In the August 1983 survey, the Index of Consumer Sentiment was 90.9, just below the cyclical high of 93.9 recorded in July 1983 and substantially above the 65.4 recorded one year earlier. Despite this small recent decline, largely due to concern with rising interest rates, consumer optimism remained at very favorable levels in the August 1983 survey.

** Among families with incomes of $25,000 and over, the Index of Consumer Sentiment was 103.5 in August, down from 106.5 in July and substantially above the 73.6 recorded one year earlier.

** In each of the past three months, consumers have reported an increasing level of concern over rising interest rates. In the August 1983 survey, 47 percent expected interest rates to increase during the year ahead, up from 40 percent in July and 20 percent in May 1983. More than twice as many consumers now expect increases rather than declines in interest rates--just three months earlier more consumers expected declines rather than increases.

** Due to rising interest rate concerns fewer consumers reported that they expected continued improvement in business conditions during the year ahead in August (47 percent) than three months earlier when the all-time peak was recorded (55 percent). However, recen declines in unemployment have prompted the highest proportion of consumers ever to report improvement in the current state of the economy in the August survey.

** Attitudes toward buying conditions for houses declined somewhat in the August survey due to rising mortgage interest rates. Among all families, the proportion that held favorable house buying attitudes fell to 57 percent in August, down from 59 percent in July and 66 percent in June 1983. Attitudes toward buying conditions for cars remained largely unchanged in the August survey near record favorable levels, since auto manufacturers have been able to partially insulate consumer purchase decisions from increases in market interest rates.

** In the August survey consumers were more willing to incur new debt or to use accumulated savings to make major purchases than at any other time during the prior three years due to current and expected improvements in personal finances.

* * *

The one month decline in consumer sentiment does not itself signal a change in the prevailing optimism among American consumers. Most sentiment measures remained near record favorable levels in the August 1983 survey. These data thus indicate that the ongoing recovery in consumer sales will continue through the balance of 1983 and early 1984. The small decline, however, does demonstrate the heightened sensitivity of consumers to interest rate trends. Interest rates will continue to represent the major determinant of the pace and length of the recovery.

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Higher Interest Rates Expected

Increases in interest rates were expected during the year ahead by 47 percent of all households in the August 1983 survey, more than twice the 20 percent recorded three months earlier. Declines in interest rates were expected by only 18 percent in August, down from 31 percent three months earlier. This recent shift has left interest rate expectations less favorable than at any other time during the preceding two years.

Concern with rising interest rates has dampened optimism about the future course of the economy. Corresponding to the rising concern with interest rates during the past three months, the proportion of families that expected the economy as a whole to improve during the year ahead fell from 55 percent in May 1983 to 47 percent in August 1983, and the proportion of families that expected good times financially fell from 65 to 60 percent. Nonetheless, the small recent decline from record levels still leaves consumers optimistic about the future course of the economy.

Rising Interest Rates Dims Housing Outlook

Rising mortgage interest rates have dampened attitudes toward market conditions for houses. In the August 1983 survey, 57 percent of all families thought buying conditions for houses were favorable, down from the peak level of 66 percent recorded in June 1983. The proportion of respondents that mentioned the availability of lower mortgage rates fell to 44 percent in August from the peak of 61 percent two months earlier, while complaints about high mortgage rates rose to 31 percent in August from 23 percent in June 1983. Nonetheless, given the small increases in mortgage rates thus far, overall attitudes towards market conditions for houses have remained at favorable levels. On balance, more families continued to cite lower rather than higher interest rates in the August 1983 survey, even if by a narrower margin. In addition, families continued to mention the availability of lower housing prices more frequently than high housing prices in the August 1983 survey (17 versus 14 percent).

In contrast to house buying attitudes, attitudes toward market conditions for cars have remained largely unchanged at very favorable levels, largely due to interest subsidies as well as price discounts and rebates offered by car manufacturers. Among all families, 65 percent thought buying conditions for

automobiles were favorable in the August 1983 survey, unchanged from one and three months earlier, and substantially above the 35 percent recorded one year earlier. The proportion of families that mentioned the availability of lower interest rates was 33 percent in August, compared with just 6 percent that complained of high interest rates on auto loans. In addition, the August 1983 survey recorded the lowest number of consumers to complain of high car prices in more than five years--16 percent, half the 32 percent recorded one year earlier. Rather, the appeal of price discounts and rebates was mentioned by 25 percent of all families in the August 1983 survey, unchanged from one year earlier. Through the combined use of price and interest rate discounts, car manufacturers have been able to effectively counter both sources of resistance.

Improved Personal Finances Support Spending Plans

In the August 1983 survey, consumers reported an increased readiness to draw on savings or incur debt in order to finance major new purchases (see Tables A and B). Among all families, 27 percent reported they were not reluctant to incur new debt, more than twice the 12 percent recorded one year earlier, and the highest level recorded during the past three years. The use of accumulated savings to make major new purchases was viewed with favor by 38 percent of all families, up from 26 percent one year earlier, and 30 percent two years earlier.

Among all families in the August 1983 survey, 36 percent reported that their financial situation had improved during the past year, down from 40 percent one month earlier, but above the 29 percent recorded one year earlier. Importantly, families continued to report being better off financially more frequently than worse off in the August 1983 survey (36 versus 30 percent). When asked to explain how their financial situation had changed, 31 percent of all families mentioned income increases in August, up 25 percent from one year earlier. Income declines were reported somewhat less frequently in August 1983 (18 percent) than one year earlier (20 percent). Just 16 percent of all families complained about high prices in the August 1983 survey, equal to the July level which was the lowest recorded during the past decade.

Consumers in the August 1983 survey remained optimistic about prospects for improvement in their personal financial situation during the year ahead. Nearly three times as many families expected their personal financial situation to improve

rather than worsen during the year ahead in August (37 versus 13 percent), a somewhat narrower margin than the more than four-to-one recorded in May 1983 (43 versus 6 percent).

Declines in Unemployment Expected

Unemployment was expected to decline during the year ahead by 42 percent of all families in the August 1983 survey, unchanged from three months earlier, and substantially above the 17 percent recorded one year earlier. Just 15 percent of all families expected increases in unemployment in August, down from 46 percent one year earlier. Although heightened interest rate expectations have lowered optimism about the future course of the economy, recent improvement in unemployment has bolstered evaluations of the current state of the economy. Among all families, 66 percent reported in the August 1983 survey that business conditions had improved during the past year, the highest proportion ever recorded in these surveys. When asked about recent economic developments, news of increases in employment was mentioned by 27 percent of all families in the August 1983 survey, up from just 7 percent one year earlier, while reports of increasing unemployment remained at the July level of 16 percent, down from 53 percent in August 1982--the all-time peak level.

The expected annual rate of inflation was 5.0% in the August 1983 survey, just above the 4.6% recorded one and three months earlier, and considerably below the 6.4% recorded one year earlier.

Confidence in government economic policies to reduce both inflation and unemployment remained basically unchanged in the August 1983 survey from one month earlier, although more favorable than one year earlier. Among all families, 27 percent rated government economic policies favorably, unchanged from the July reading, and above the 17 percent recorded in August 1982. Unfavorable evaluations of government economic policies were given by 23 percent of all families in August 1983 compared with 34 percent one year earlier.

* * *

The August 1983 survey was conducted between July 28 and August 28, 1983, and included 673 completed interviews.

TABLE A

OPINIONS ABOUT WHETHER NOW IS A
GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

	Use of Credit			
	Aug. 1980	Aug. 1981	Aug. 1982	Aug. 1983
OK to use credit; not especially reluctant	13%	13%	12%	27%
Pro-con	1	1	1	1
Not OK to use credit; especially reluctant	85	83	85	71
DK, NA	1	3	2	1
Total	100%	100%	100%	100%
Cases	1177	1390	1388	1353

The question was: "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time you would be especially reluctant to take on new debt?"

TABLE B

OPINIONS ABOUT WHETHER NOW IS A
GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

(Percentage of families with savings)

	Use of Savings			
	Aug. 1980	Aug. 1981	Aug. 1982	Aug. 1983
OK to use savings; not especially reluctant	NA	30%	26%	38%
Pro-con		1	1	*
Not OK to use savings; especially reluctant		67	72	60
DK, NA		2	1	2
Total		100%	100%	100%
Cases		1373	1264	1235

*Less than 0.5 percent.

The question was: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings, or is now a time when you would be especially reluctant to use some of your savings?"

10/11/83 U7475-2 A

October 5, 1983

SEPTEMBER 1983 MONTHLY REPORT

Surveys of Consumer Attitudes

Richard T. Curtin, *Director*

CONSUMERS REMAIN OPTIMISTIC

** In the September 1983 survey, the Index of Consumer Sentiment was 89.9, one Index-point below the August level, and four Index-points below the cyclical high recorded in July 1983, but 20 Index-points above the year-earlier reading. Despite the recent small decline, due to less favorable business expectations, consumer optimism remained at very favorable levels in the September 1983 survey.

** Among families with incomes of $25,000 and over, the Index of Consumer Sentiment was 102.3, 1.2 Index-points below the month-earlier reading, and 4.2 Index-points below the cyclical high recorded in July.

** The proportion of families that expected good times financially in the economy as a whole during the year ahead fell in the September 1983 survey to 58 percent from 60 percent in August, and from a high of 65 percent in May 1983. Despite the small recent decline, business expectations have remained substantially more favorable than one year earlier, when just 33 percent expected good times financially in the economy as a whole during the next 12 months.

** Unemployment expectations remained on balance favorable, although the September survey recorded somewhat fewer families that expected continued declines in unemployment (36 percent, down from 42 percent in August, but twice the 18 percent recorded one year earlier). Interest rates were somewhat less frequently expected to increase during the year ahead in the September survey compared with August (44, down from 47 percent); nonetheless unfavorable interest rate expectations remained at more than twice the low level recorded as recently as May 1983.

** Consumer attitudes toward buying conditions for houses, cars, and household durables each remained near record favorable levels in the September 1983 survey. Continued evidence of heightened interest rate sensitivity was found in the September data: house buying attitudes improved by a small amount due to more favorable perceptions of mortgage interest rates, while car buying attitudes declined by a small amount due to increased concern with interest rates on car loans.

** Consumers reported an increased readiness to draw on savings or to incur new debt in order to finance major new purchases in the third quarter 1983 surveys. The overall financial situation of American families has improved during the last year, with the September 1983 survey recording fewer reference to income declines, and more frequent reports of income increases.

* * *

The recent small decline in consumer sentiment does not indicate a change in the prevailing optimism among American consumers. Most sentiment measures remained near record favorable levels in the September survey, with the small declines indicating only a slowing of the rate of expected improvement in the economy.

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Slower Pace of Improvement
Expected for Business Conditions

The September survey continued to record a very favorable mix of news heard and recalled by consumers about recent economic developments. The September 1983 survey recorded the fewest references to unfavorable developments in the economy since 1976 (27 percent). Favorable developments were reported by 64 percent of all families in September, below the all-time record of 83 percent recorded in June 1983, but higher than in any survey conducted during the prior three decades. Compared with a year earlier, many fewer respondents reported hearing about increases in unemployment in the September 1983 survey (11 percent, down from 52 percent), and respondents more frequently reported hearing news of increases in employment (25 percent, up from 6 percent). Among all families, 62 percent reported that current business conditions had improved over those of a year earlier, just below the all-time record level of 66 percent recorded in August, and substantially above the 13 percent recorded one year earlier.

Business conditions were expected to improve in the year ahead by 46 percent of all families in the September 1983 survey, just below the 47 percent recorded in August, and the all-time peak level of 55 percent recorded in May 1983. Very few consumers expected business conditions to worsen during the year ahead in the September survey (10 percent, up from a low of 6 percent in May 1983), while the much more common expectation that business conditions would remain unchanged at improved levels grew (to 42 percent in September from 38 percent in May 1983). Somewhat fewer families in the September 1983 survey expected unemployment to decline during the year ahead than one month earlier (36, down from 42 percent); nonetheless, declines in unemployment were still expected more than twice as often as increases (36 versus 17 percent). These findings indicate an expected slowing in the rate of improvement in business conditions.

Interest rate expectations improved somewhat in the September 1983 survey, but nonetheless remained at unfavorable levels. Interest rates were expected to increase by 44 percent of all families in the September survey, below the 47 percent recorded in August, but more than twice the 20 percent recorded as recently as May 1983. Declines in interest rates were expected by 20 percent of all families in September 1983, up from 18 percent in August, but well below the 48 percent recorded one year earlier.

Confidence in government economic policies to reduce unemployment and inflation was unchanged in the September survey from one and two months earlier, but was substantially above the year-earlier reading. In the September 1983 survey, 27 percent of all families favorably rated government economic policy (up from 19 percent one year earlier), while 21 percent gave unfavorable ratings (down from 31 percent one year earlier).

Favorable Buying Attitudes

Attitudes toward buying conditions for large household durables, vehicles, and houses remained near record favorable levels in the September 1983 survey. Following rapid improvement in late 1982 and early 1983, buying attitudes have remained largely unchanged during the past few months. Favorable attitudes toward buying conditions for large household durables were held by 66 percent of all families in the September 1983 survey, nearly equal to the cyclical high of 67 percent recorded in May 1983, and substantially above the 42 percent recorded a year earlier. Favorable car buying attitudes were held by 61 percent of all families in the September survey, below the record level of 66 percent recorded in both April and May 1983, but well above the 40 percent recorded one year earlier. Favorable attitudes toward buying conditions for houses were held by 59 percent of all families in September, below the high of 66 percent recorded in June, but substantially above the 28 percent recorded one year earlier.

The overall increase in favorable buying attitudes during the past year has benefited from more favorable perceptions of market prices. Unlike one year earlier, the September 1983 survey recorded more frequent references to lower rather than higher prices when respondents were asked to explain their views on each of the three markets studied.

The small recent declines from record levels in the markets are attributable to interest rate trends. Since the 1983 record levels were reached, fewer references to the availability of lower interest rates were recorded in the September 1983 survey with regard to the housing market (47, down from 61 percent), the car market (28, down from 40 percent), and for household durables (12, down from 16 percent). Interestingly, the small one-month increase in favorable house buying attitudes, as well as the one-month decline in favorable car buying attitudes, can be attributed to small contrasting changes in references to interest rates: somewhat more families reported the availability of

lower mortgage rates in September than August (47, up from 44 percent), but fewer families reported the availability of lower interest rates on car purchases (28, down from 33 percent). These results partially reflect the changing availability of subsidized interest rates on car loans.

In the third quarter 1983 surveys, consumers reported an increased readiness to draw on savings or incur new debt in order to finance major new purchases (see Tables A and B). Among all families, 27 percent reported that they were not reluctant to incur new debt, more than twice the 12 percent recorded one year earlier, and the highest level recorded during the past three years. The use of accumulated savings to make major new purchases was viewed with favor by 36 percent of all families, up from 25 percent one year earlier, and 30 percent three years earlier.

Improved Personal Finances

The September 1983 survey marked the sixth consecutive month that American families more frequently reported that their financial situation had improved rather than worsened during the past year (38 versus 29 percent). Prior to April 1983, consumers' evaluations of their current financial situation were on balance unfavorable for more than four years. When asked to explain how their financial situation had changed, respondents more frequently mentioned income increases in September 1983 compared with a year earlier (from 27 to 34 percent), and less frequently mentioned income declines (from 24 to 20 percent). In addition, fewer families mentioned the adverse impact of inflation on family budgets, 16 percent in the September 1983 survey, unchanged from August and July, and the lowest level recorded during the past decade.

American families remained optimistic about their financial future in the September 1983 survey. Among all families, 37 percent expected improvement in their financial situation in the September survey, unchanged from the August reading, but below the cyclical high of 43 percent recorded in May 1983. During the past year, smaller expected income increases have been partially offset by lower expected rates of inflation. Approximately the same proportion of families in the September 1983 survey as one year earlier expected their nominal income to remain unchanged or to decline (42 percent), and approximately the same proportion of families expected income increases as one year earlier (57 percent). However, among those that expected income increases, the proportion of families that expected increases of 6% or more fell to 28 percent in

September 1983, from 37 percent in September 1982, while the proportion of families that expected income increases of 1-5% rose to 23 percent in September 1983 from 15 percent one year earlier. Consumers expected the annual rate of inflation to average 5.0% during the year ahead in the September 1983 survey, unchanged from one month earlier, but below the 5.4% recorded one year earlier.

* * *

The September 1983 survey was conducted between August 26 and September 24, 1983, and 704 interviews were obtained.

TABLE A

OPINIONS ABOUT WHETHER NOW IS A
GOOD TIME TO USE CREDIT FOR MAJOR PURCHASES

	Third Quarter			
	1980	1981	1982	1983
Ok to use credit; not especially reluctant	15%	13%	12%	27%
Pro-con	1	1	1	1
Not OK to use credit; especially reluctant	83	83	85	71
DK, NA	1	3	2	1
Total	100%	100%	100%	100%
Cases	1793	2071	2083	2057

The question was: "If there were something big that you wanted to buy, do you think that now is a time when it would be O.K. for you to buy it on credit, or is now a time when you would be especially reluctant to take on new debt?"

TABLE B

OPINIONS ABOUT WHETHER NOW IS A
GOOD TIME TO USE SAVINGS FOR MAJOR PURCHASES

(Percentage of families with savings)

	Third Quarter			
	1980	1981	1982	1983
OK to use savings; not especially reluctant	30%	29%	25%	36%
Pro-con	1	1	1	*
Not OK to use savings; especially reluctant	60	68	72	62
DK, NA	9	2	2	2
Total	100%	100%	100%	100%
Cases	616	2044	1906	1868

*Less than 0.5 percent.

The question was: "If there were a major purchase that you wanted to make, do you think that now is a time when it would be O.K. to use some of your savings or is now a time when you would be especially reluctant to use some of your savings?"

TABLES AND CHARTS

SEPTEMBER 1983

The September 1983 survey is the 180th in a series of surveys of consumer attitudes conducted by the Survey Research Center at The University of Michigan. Initiated in 1946, these periodic surveys provide regular assessments of consumer attitudes and expectations, and are used to evaluate economic trends and prospects. The surveys are designed to explore why changes in consumer attitudes and expectations occur, and how these changes influence consumer spending and saving decisions.

Two charts highlight recent changes and historical patterns for most questions. Recent change charts include quarterly data before 1978 and monthly data starting in January of 1978. Historical series charts show quarterly data before 1978 and 3 month moving averages since then. See the explanatory charts at the end of this book for a detailed description.

All surveys are subject to sampling error because not all members of the population are interviewed. Most results on the total sample for this monthly survey will differ by no more than 4 percentage points in either direction from what would have been obtained by using the same methods on the entire population. See the back of this book for sampling error information.

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TABLE OF CONTENTS

CHART/ TABLE	TITLE
1	THE INDEX OF CONSUMER SENTIMENT
2	INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS
3	COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT
4	CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO
5	SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION
6	EXPECTED CHANGE IN FINANCIAL SITUATION
7	TREND IN PERSONAL FINANCIAL SITUATION
8	EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS
9	PAST CHANGE IN REAL FAMILY INCOME
10	EXPECTED CHANGE IN REAL FAMILY INCOME
11	TREND IN FAMILY INCOME AND PRICE COMPARISON
12	NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
13	SELECTED ITEMS OF NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS
14	CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO
15	EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR
16	REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR
17	TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS
18	BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS
19	BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS
20	EXPECTED CHANGE IN UNEMPLOYMENT
21	EXPECTED CHANGE IN INTEREST RATES
22	CHANGE IN PRICES DURING THE LAST 12 MONTHS
23	EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS
24	UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP
25	OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY
26	BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
27	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS
28	BUYING CONDITIONS FOR HOUSES
29	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES
30	BUYING CONDITIONS FOR CARS
31	SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS
32	PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS
33	CURRENT VEHICLE PURCHASE INTENTIONS
34	FUTURE VEHICLE PURCHASE INTENTIONS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

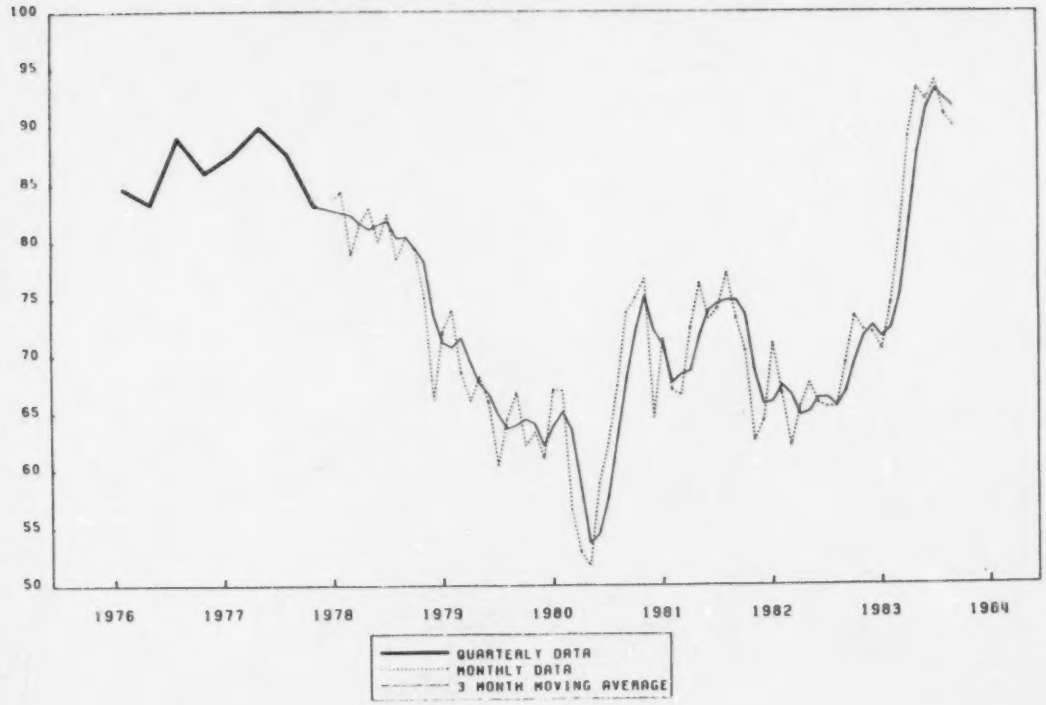

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT

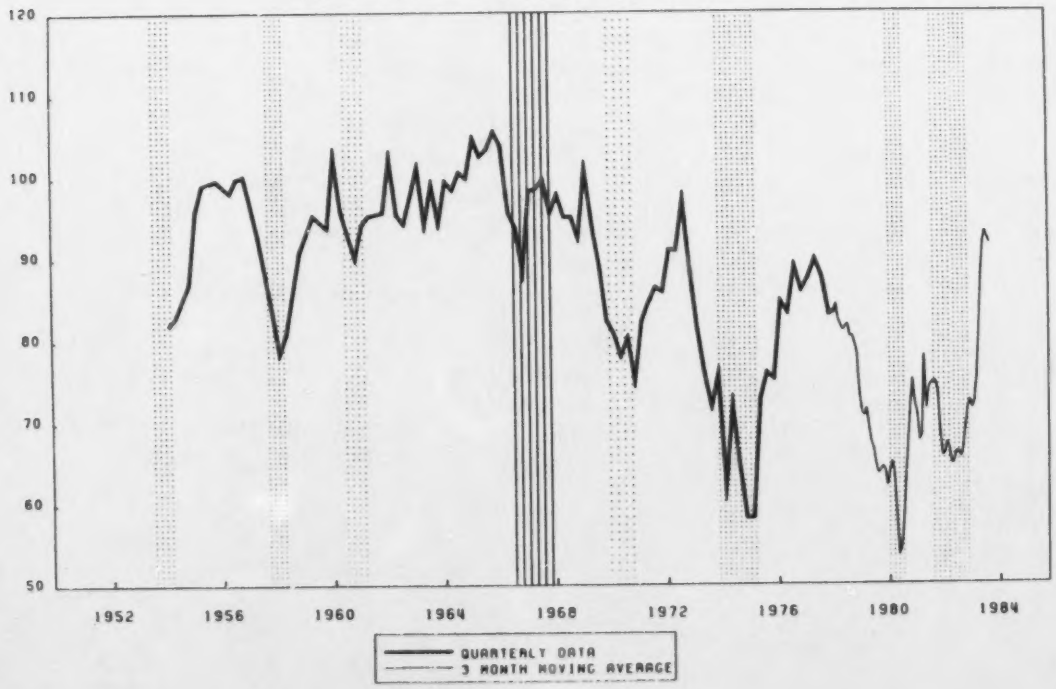

TABLE 1

THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	All families	Families with incomes over $20,000	Families with incomes over $25,000
September 1980	73.7	78.1	[illegible]
October 1980	75.0	76.3	78.7
November 1980	76.7	82.7	87.5
December 1980	64.5	66.9	68.6
January 1981	71.4	74.8	77.1
February 1981	66.9	74.2	77.5
March 1981	66.5	72.1	73.7
April 1981	72.4	77.1	78.0
May 1981	76.3	80.8	85.0
June 1981	73.1	81.2	82.9
July 1961	74.1	80.8	82.1
August 1981	77.2	82.7	85.0
September 1981	73.1	75.2	73.3
October 1981	70.3	74.5	77.9
November 1981	62.5	67.2	66.3
December 1981	64.3	71.0	71.1
January 1982	71.0	77.9	77.8
February 1982	66.5	71.5	72.8
March 1982	62.0	67.0	67.9
April 1982	65.5	71.5	73.2
May 1982	67.5	72.7	74.8
June 1982	65.7	71.4	72.9
July 1982	65.4	68.9	69.2
August 1982	65.4	71.0	73.6
September 1982	69.3	78.4	81.1
October 1982	73.4	77.5	80.9
November 1982	72.1	79.3	81.1
December 1982	71.9	78.0	80.5
January 1983	70.4	78.2	78.8
February 1983	74.6	79.9	81.3
March 1983	80.8	88.4	88.9
April 1983	89.1	97.1	99.0
May 1983	93.3	99.6	101.0
June 1983	92.2	101.2	102.5
July 1983	93.9	104.4	106.5
August 1983	90.9	101.2	103.5
September 1983	89.9	99.0	102.3

CHART 2A - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN REGION SUBGROUPS

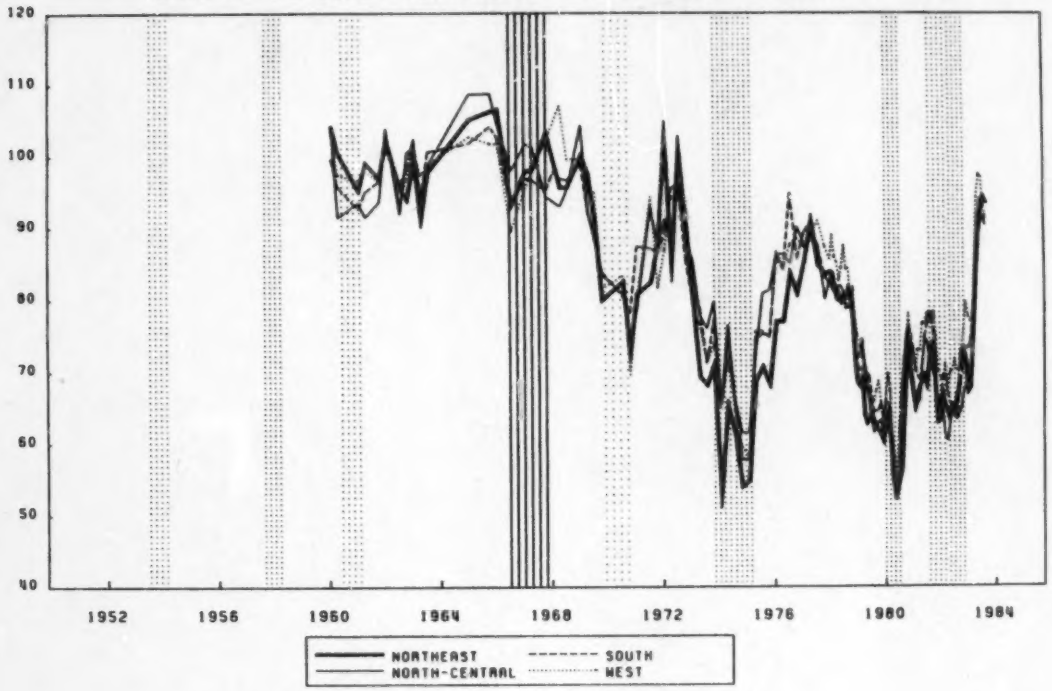

CHART 2B - HISTORICAL SERIES

INDEX OF CONSUMER SENTIMENT WITHIN AGE SUBGROUPS

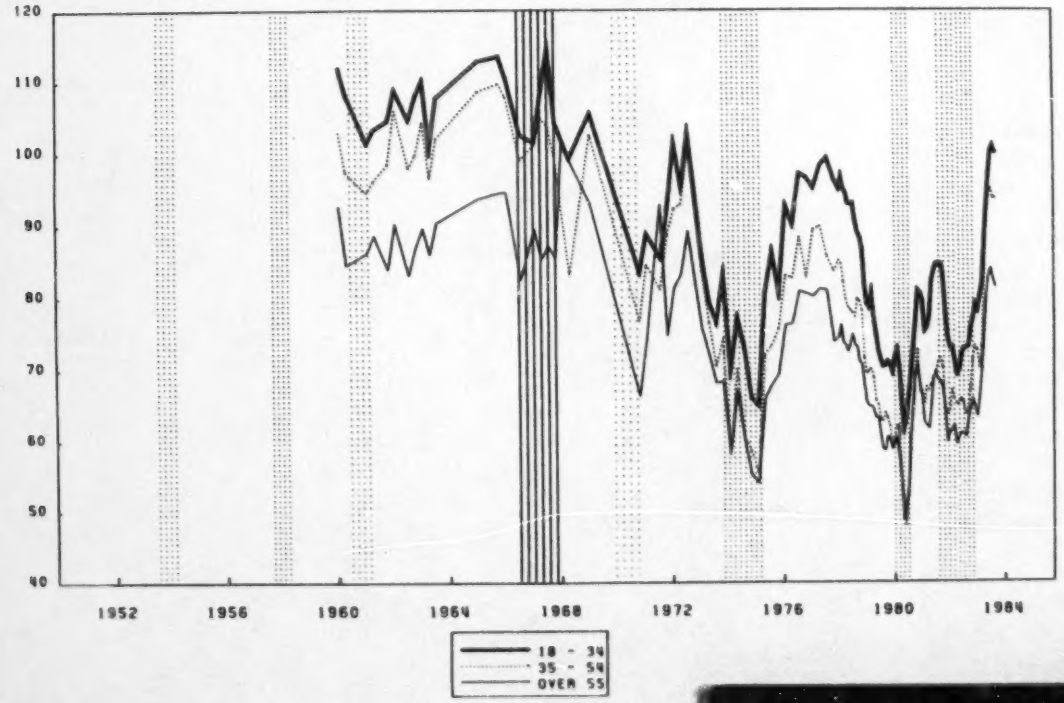

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TABLE 2

INDEX OF CONSUMER SENTIMENT WITHIN REGION AND AGE SUBGROUPS

DATE OF SURVEY	CENSUS REGION				AGE OF RESPONDENT		
	North East	North Central	South	West	18-34	35-54	55+
September 1980	76.3	68.3	71.8	79.5	78.6	73.4	69.4
October 1980	75.7	70.2	79.1	73.1	80.2	70.2	74.0
November 1980	71.1	76.2	77.3	81.9	85.3	73.5	70.3
December 1980	62.3	59.9	69.3	64.6	76.0	56.7	60.1
January 1981	68.2	70.9	72.5	74.4	77.2	70.2	67.9
February 1981	64.5	62.6	70.2	70.8	72.5	68.4	59.6
March 1981	66.5	62.6	64.9	73.7	77.3	63.9	58.4
April 1981	72.6	72.7	71.0	74.2	81.5	68.3	66.9
May 1981	66.8	76.6	77.5	82.2	87.7	71.2	70.0
June 1981	68.5	74.0	75.2	73.8	81.7	67.0	69.6
July 1981	68.9	72.2	76.5	78.1	84.2	70.6	67.6
August 1981	77.0	70.1	83.2	79.2	87.8	75.0	67.9
September 1981	75.1	69.9	72.4	76.6	81.4	68.8	69.2
October 1981	67.9	68.2	68.9	79.0	80.7	65.9	64.8
November 1981	55.8	64.7	61.1	68.8	71.3	59.6	57.7
December 1981	65.0	65.3	64.4	61.6	70.9	65.3	56.7
January 1982	68.8	67.3	72.0	76.2	76.6	67.4	68.5
February 1982	65.9	60.6	71.8	68.8	71.5	68.3	59.0
March 1982	60.5	55.8	64.7	68.2	65.5	61.4	58.8
April 1982	67.2	64.6	65.0	65.8	70.6	65.5	60.4
May 1982	62.4	66.5	66.6	75.7	72.7	67.6	62.0
June 1982	65.4	65.0	64.9	68.6	72.4	64.4	60.3
July 1982	65.1	64.0	63.5	71.1	73.4	63.3	60.6
August 1982	68.1	60.6	64.0	70.6	72.6	62.9	60.2
September 1982	70.3	67.2	71.1	68.8	73.0	65.7	68.0
October 1982	77.8	66.2	74.1	79.3	81.2	72.1	65.5
November 1982	70.6	67.9	73.2	79.3	76.6	75.7	63.8
December 1982	66.1	70.0	72.5	80.4	78.9	71.7	64.2
January 1983	64.9	70.5	73.6	72.8	78.8	70.0	62.0
February 1983	72.1	72.3	75.8	77.2	82.1	68.3	72.4
March 1983	82.9	73.7	82.7	84.4	84.9	81.5	75.5
April 1983	89.1	88.0	87.2	95.6	95.8	90.5	80.5
May 1983	88.3	90.7	93.3	102.7	97.2	97.1	84.9
June 1983	95.1	88.7	92.5	94.1	97.8	94.4	83.9
July 1983	98.3	93.8	89.9	94.3	106.0	93.6	83.0
August 1983	89.6	92.0	91.3	89.6	99.2	92.9	80.0
September 1983	92.6	87.8	89.3	90.8	94.8	94.5	80.9

CHART 3 - RECENT CHANGES
CURRENT AND EXPECTED COMPONENTS

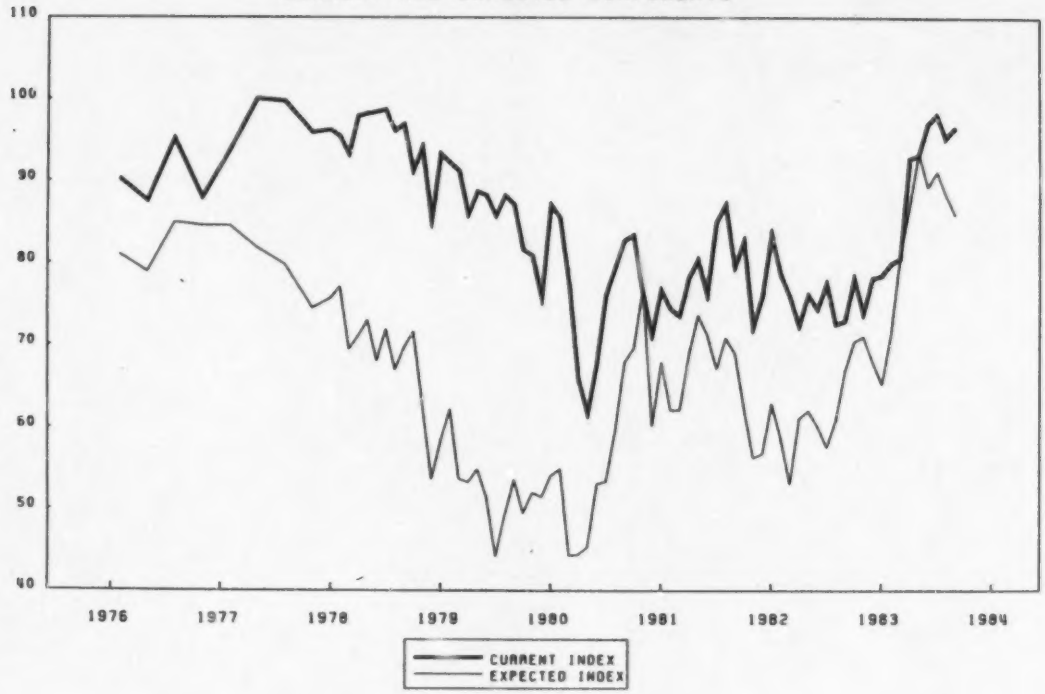


CHART 3 - HISTORICAL SERIES
CURRENT AND EXPECTED COMPONENTS

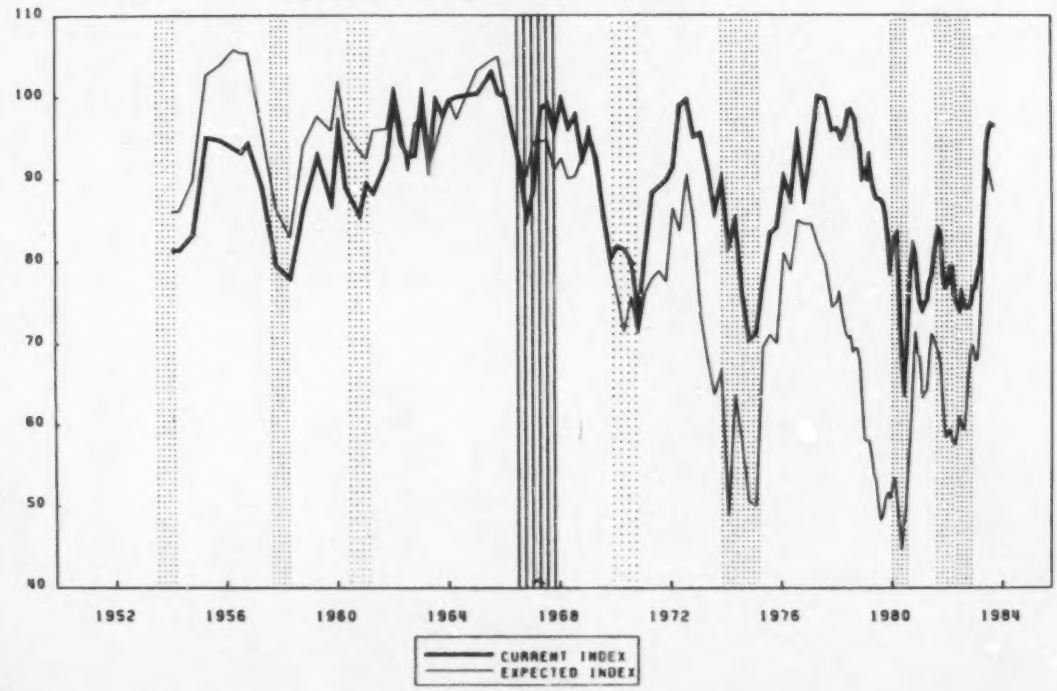


TABLE 3

COMPONENTS OF THE INDEX OF CONSUMER SENTIMENT

DATE OF SURVEY	INDEX COMPONENTS +						
	Personal finances		Business conditions				
	Current (1)	Expected (2)	12 months (3)	5 years (4)	Buying conds. (5)	Current Index (1,5)	Expected Index (2,3,4)
September 1980	91	117	83	69	121	82.7	67.9
October 1980	90	108	84	83	123	83.4	69.6
November 1980	83	118	94	93	112	76.4	76.9
December 1980	77	100	64	73	104	71.2	60.2
January 1981	80	109	78	81	116	76.7	67.9
February 1981	80	106	64	73	109	74.4	62.1
March 1981	86	104	68	72	101	73.5	62.1
April 1981	79	111	83	78	121	78.1	68.8
May 1981	95	118	92	81	111	80.4	73.6
June 1981	89	113	91	78	104	76.1	71.2
July 1981	99	114	81	70	118	84.9	67.1
August 1981	100	117	92	72	123	87.1	70.8
September 1981	94	113	80	80	109	79.5	69.0
October 1981	95	110	68	67	117	82.7	62.3
November 1981	85	110	54	56	99	72.1	56.3
December 1981	94	110	54	61	101	75.9	56.8
January 1982	92	115	66	70	124	83.5	62.9
February 1982	91	112	56	65	111	78.6	58.7
March 1982	89	106	44	60	106	75.9	53.1
April 1982	87	111	62	70	99	72.3	61.1
May 1982	94	113	62	72	102	76.1	62.0
June 1982	92	116	58	65	99	74.3	60.1
July 1982	90	113	53	63	110	77.5	57.6
August 1982	89	110	64	69	97	72.5	60.9
September 1982	89	116	76	74	98	72.9	66.9
October 1982	95	119	79	83	106	78.1	70.4
November 1982	85	121	77	86	105	73.8	71.0
December 1982	90	117	74	80	111	78.1	67.9
January 1983	91	115	76	69	111	78.4	65.2
February 1983	89	117	87	81	117	79.9	71.2
March 1983	92	126	113	85	115	80.5	80.9
April 1983	108	131	120	99	131	92.7	86.9
May 1983	101	137	139	100	139	93.1	93.4
June 1983	110	128	134	97	141	96.9	89.2
July 1983	111	126	136	104	143	98.1	91.1
August 1983	106	124	130	100	140	95.1	88.2
September 1983	109	125	125	95	140	96.4	85.8

(1) See Table 4.
(2) See Table 6.
(3) See Table 18.
(4) See Table 19.
(5) See Table 26.

+ : Percent saying "GOOD TIMES" (or "BETTER"), minus percent saying "BAD TIMES" (or "WORSE"), plus 100.

CHART 4 - RECENT CHANGES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

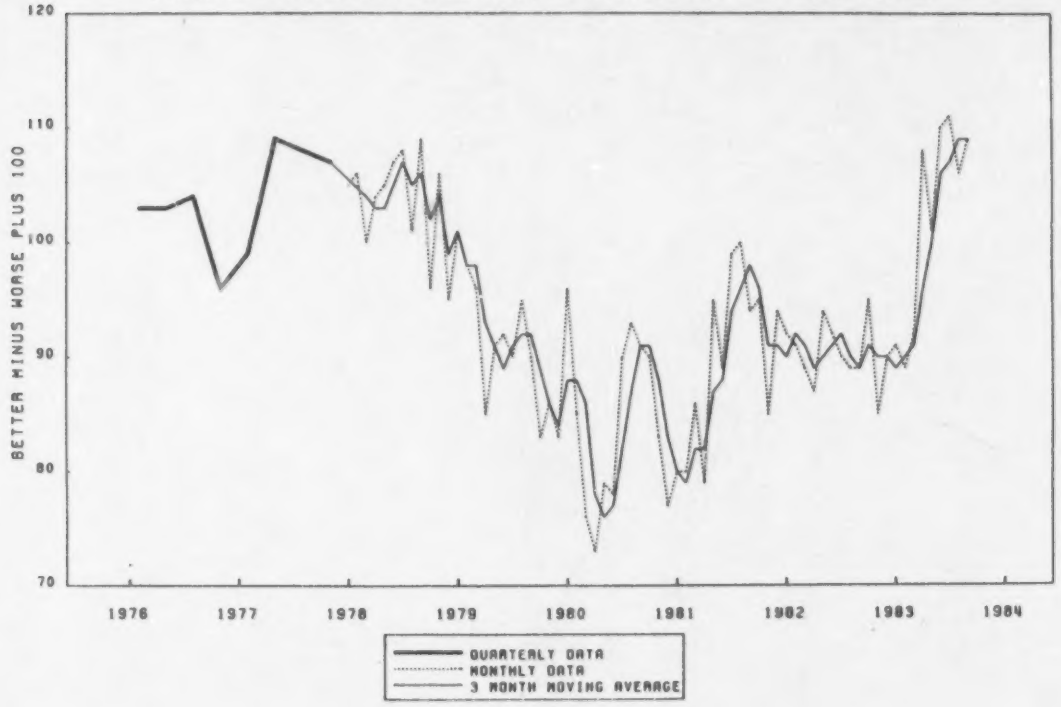


CHART 4 - HISTORICAL SERIES

CURRENT FINANCIAL SITUATION COMPARED WITH A YEAR AGO

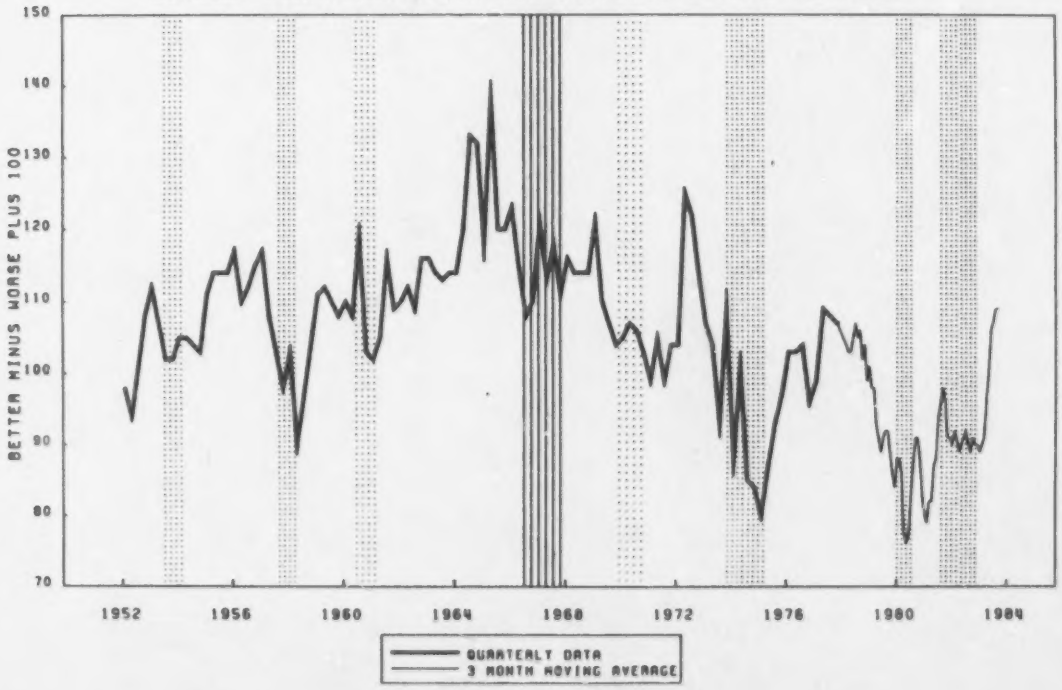


TABLE 4

CURRENT FINANCIAL SITUATION COMPARED TO A YEAR AGO

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
BETTER OFF	31%	34%	31%	28%	29%	30%	31%	39%	34%	38%	40%	36%	38%
SAME	27	27	23	34	33	29	30	30	33	33	31	34	33
WORSE OFF	42	39	46	38	38	41	39	31	33	28	29	30	29
DK,NA	*	*	*	*	*	*	*	*	*	1	*	*	*
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "We are interested in how people are getting along financially these days. Would you say that you (and your family living there) are better off or worse off financially than you were a year ago?"

* : Less than half of one percent.

CHART 5 - RECENT CHANGES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

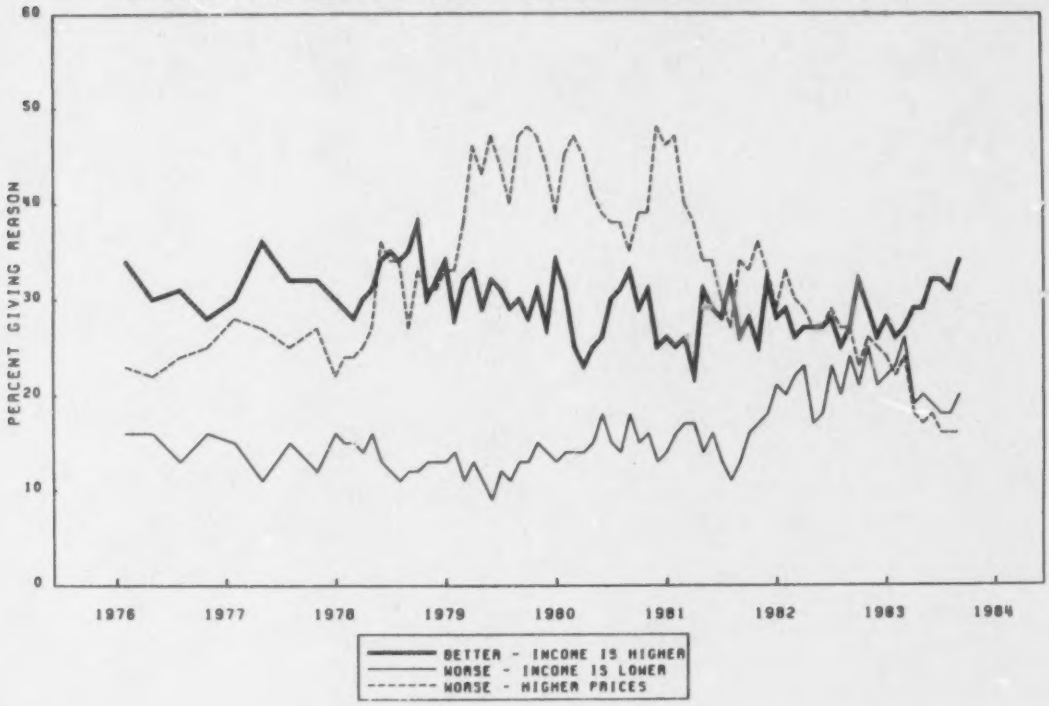


CHART 5 - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION

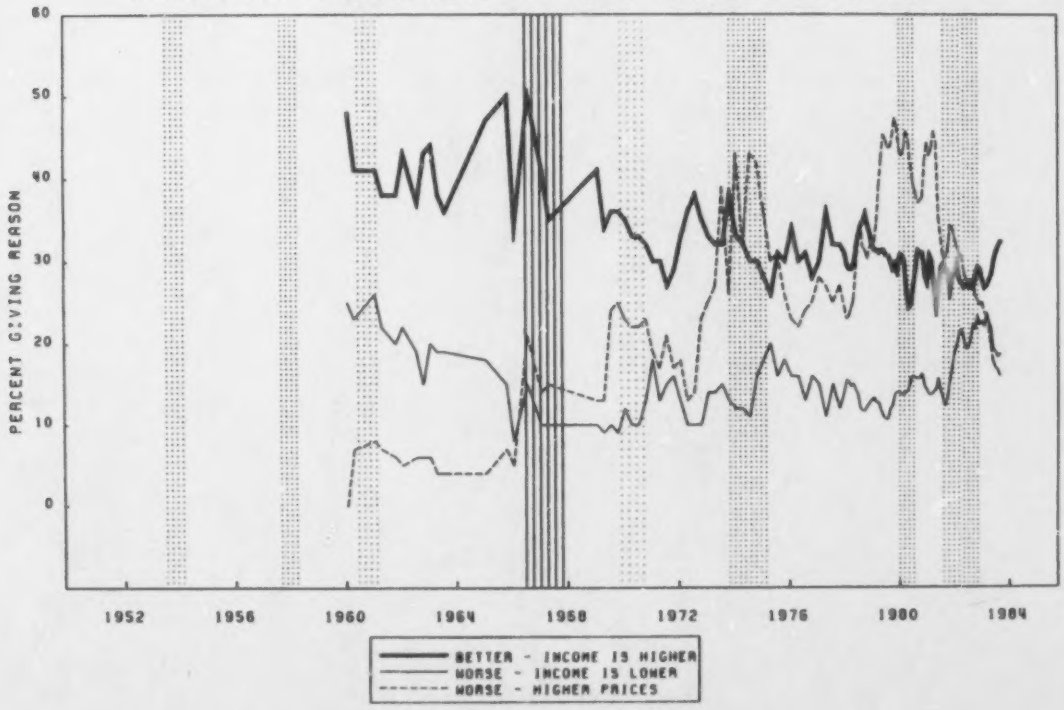


TABLE 5

SELECTED REASONS FOR OPINIONS ABOUT PERSONAL FINANCIAL SITUATION +

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
BETTER OFF THAN YEAR AGO:													
Income is higher	27%	32%	29%	26%	28%	26%	27%	29%	29%	32%	32%	31%	34%
WORSE OFF THAN YEAR AGO:													
Income is lower	24	21	25	21	22	23	26	19	20	19	18	18	20
Higher prices	27	23	26	25	24	22	24	18	17	18	16	16	16

Responses to the query: "Why do you say so?" following the question on Table 4.

+ : May add to more than 100% due to multiple mentions.

CHART 6 - RECENT CHANGES

EXPECTED CHANGE IN FINANCIAL SITUATION

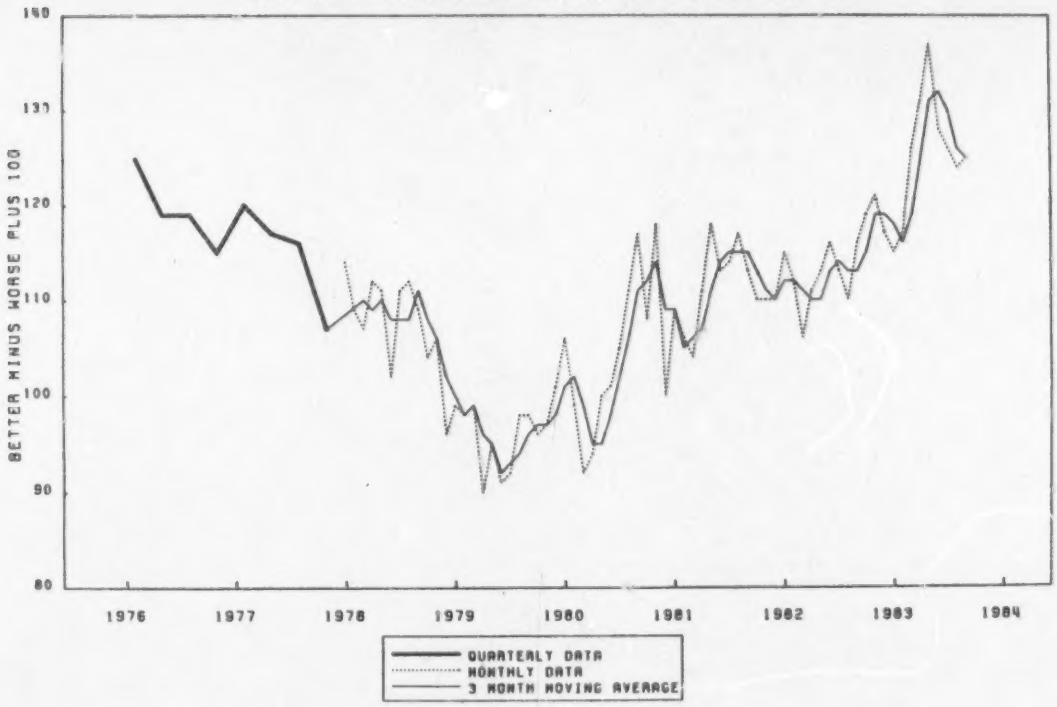


CHART 6 - HISTORICAL SERIES

EXPECTED CHANGE IN FINANCIAL SITUATION

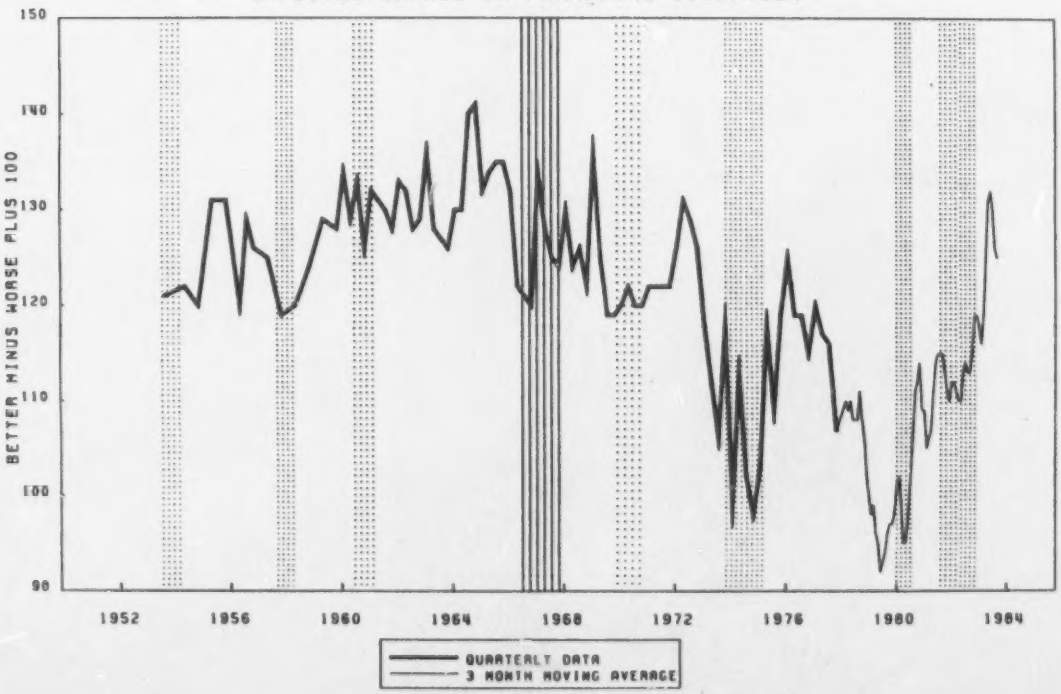


TABLE 6

EXPECTED CHANGE IN FINANCIAL SITUATION

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
BETTER OFF	33%	35%	37%	34%	34%	33%	39%	40%	43%	37%	35%	37%	37%
SAME	48	45	43	46	44	47	46	47	47	52	52	46	48
WORSE OFF	17	16	16	17	19	16	13	9	6	9	9	13	12
DK,NA	2	4	4	3	3	4	2	4	4	2	4	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "Now looking ahead--do you think that a year from now you (and your family living there) will be better off financially, or worse off, or just about the same as now?"

CHART 7 - RECENT CHANGES

TREND IN PERSONAL FINANCIAL SITUATION

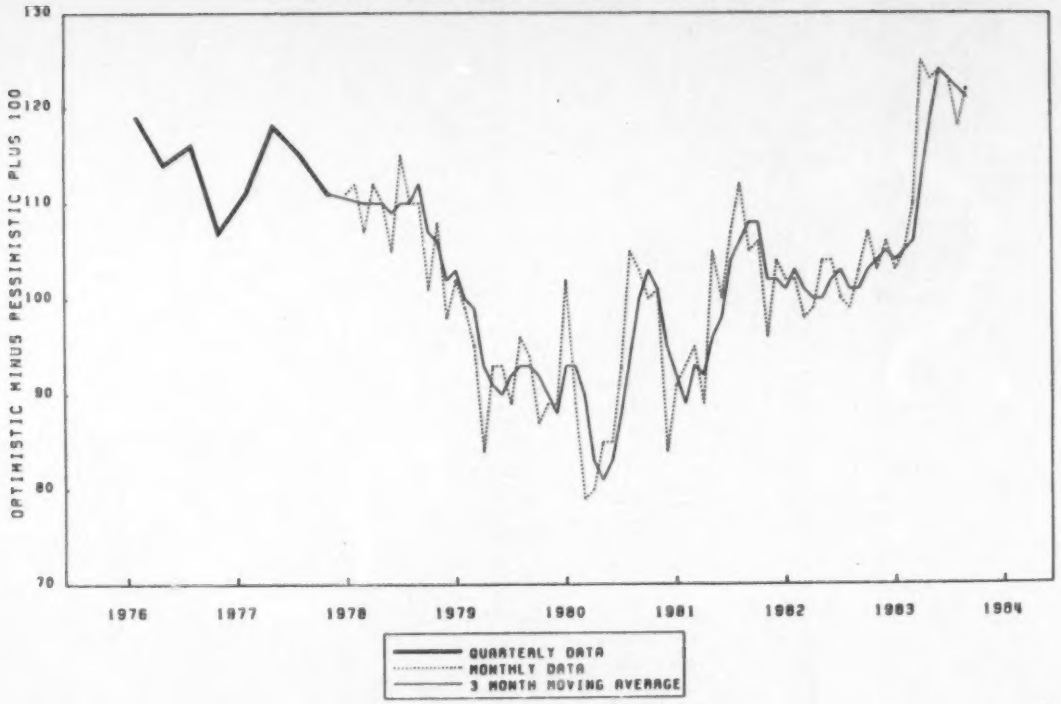


CHART 7 - HISTORICAL SERIES

TREND IN PERSONAL FINANCIAL SITUATION

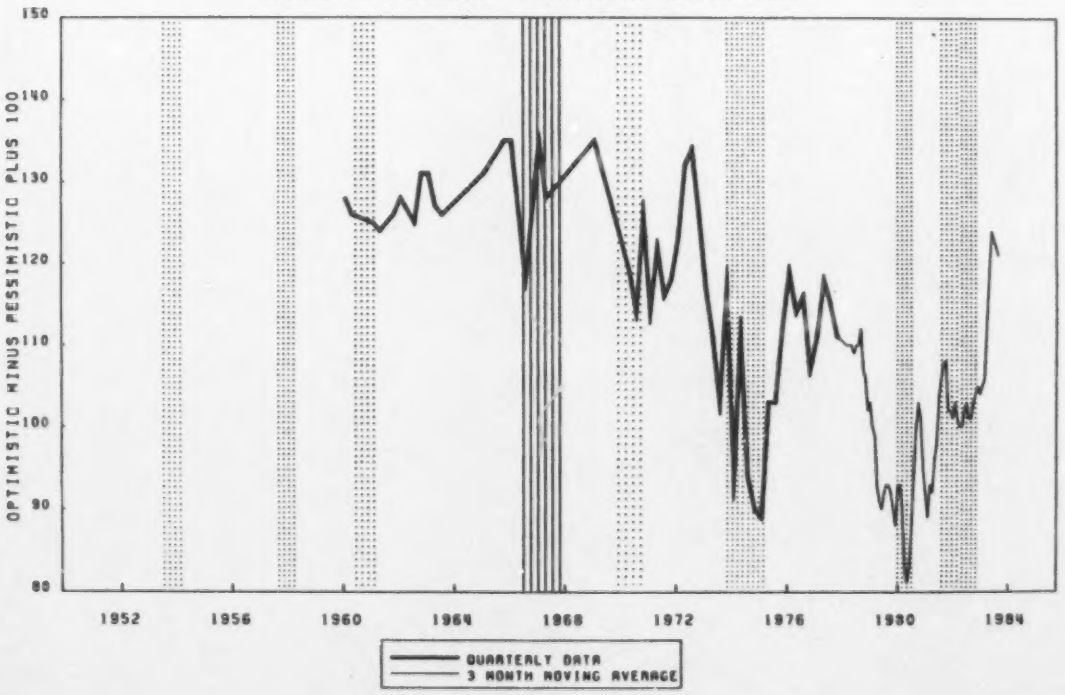


TABLE 7

TREND IN PERSONAL FINANCIAL SITUATION

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
PERSONAL FINANCIAL PROGRESS:													
Continuous increase (a)	15%	18%	16%	14%	15%	13%	16%	19%	18%	19%	20%	19%	18%
Intermittent increase (b)	21	20	19	22	20	22	22	26	25	26	24	23	27
Remain unchanged (c)	16	14	12	18	16	16	16	18	18	20	21	19	18
Intermittent decline (d)	22	21	22	18	21	20	21	15	18	17	16	18	17
Continuous decline (e)	11	10	10	12	11	10	7	5	2	4	5	6	6
Mixed change (f)	12	12	18	13	13	14	16	13	15	11	10	10	11
DK,NA	3	5	3	3	4	5	2	4	4	3	4	5	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

Combination of the responses to the questions on Tables 4 and 6.

Key: (a) Better off financially than a year ago/Better off a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 8 - RECENT CHANGES

MEDIAN EXPECTED CHANGE IN FAMILY INCOME

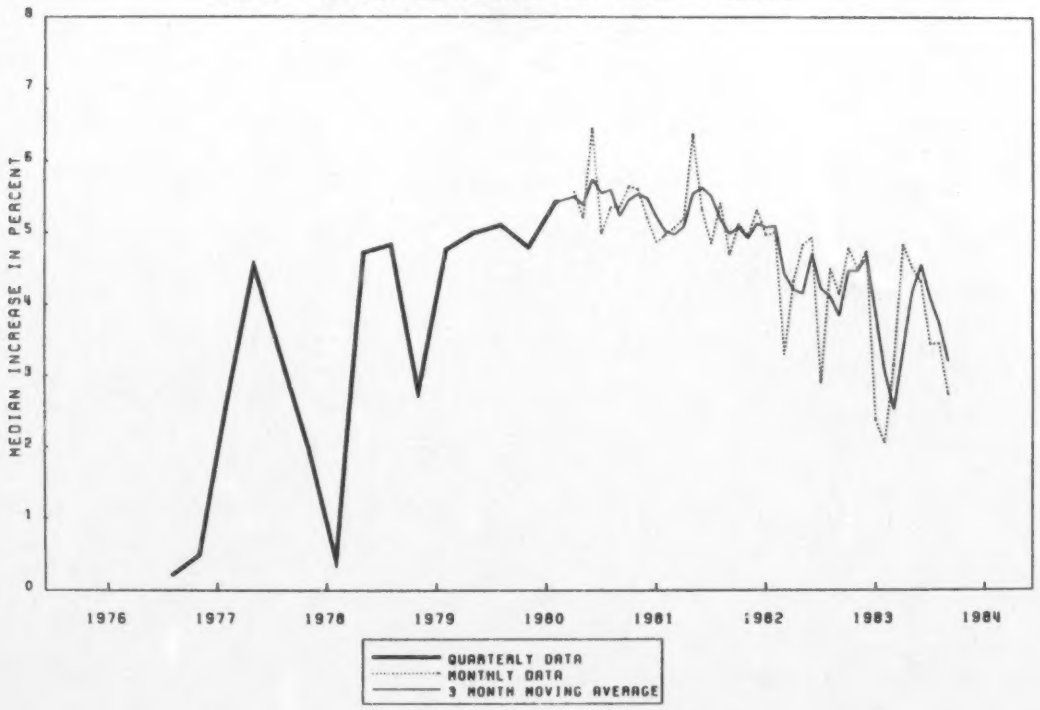


TABLE 8

EXPECTED FAMILY INCOME CHANGE DURING THE NEXT 12 MONTHS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
EXPECT INCREASE:													
1-4%	6%	7%	6%	6%	11%	7%	7%	9%	8%	8%	9%	13%	11%
5%	9	9	9	10	9	9	10	12	9	11	12	10	12
6-9%	9	11	7	9	8	8	10	12	8	11	10	10	5
10-24%	21	18	19	22	13	16	16	19	20	16	15	15	14
25% or more	7	8	9	7	7	8	7	7	9	8	7	8	9
DK how much up	4	7	6	4	6	4	5	4	5	4	4	4	6
EXPECT SAME	30	23	27	24	28	30	26	25	26	28	28	23	30
EXPECT DOWN	13	14	14	17	17	16	17	10	14	13	13	14	12
DK,NA	1	3	3	1	1	2	2	2	1	1	2	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The questions were: "During the next 12 months, do you expect your (family) income to be higher or lower than during the past year?" and "By about what percent do you expect your (family) income to increase during the next 12 months?"

CHART 9 - RECENT CHANGES

INCOME OR PRICES UP MORE DURING THE LAST YEAR

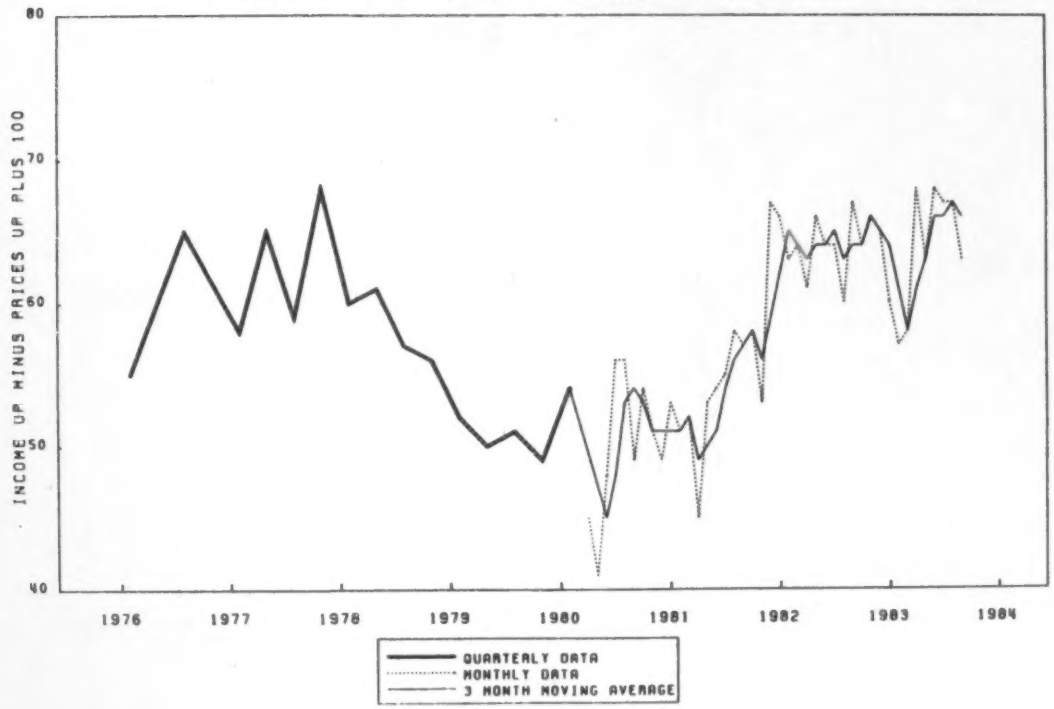


TABLE 9

PAST CHANGE IN REAL FAMILY INCOME

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
INCOME UP MORE	17%	18%	16%	14%	14%	14%	16%	17%	16%	17%	18%	20%	15%
INCOME UP SAME	32	27	33	35	30	27	25	32	30	32	29	26	31
PRICES UP MORE	50	54	50	49	54	57	58	49	53	49	51	53	52
DK,NA	1	1	1	2	2	2	1	2	1	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "During the last year or two, would you say that your (family) income went up more than prices, went up about the same as prices, or went up less than prices?"

CHART 10 - RECENT CHANGES

INCOME OR PRICES UP MORE NEXT YEAR

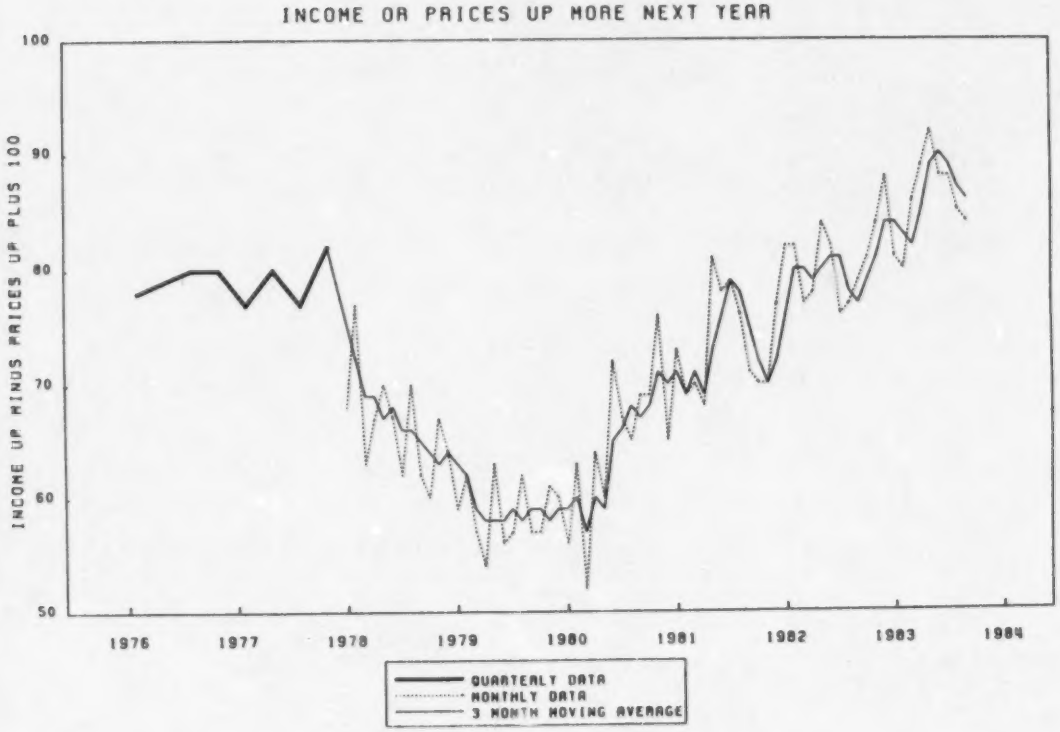


TABLE 10

EXPECTED CHANGE IN REAL FAMILY INCOME

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
INCOME UP MORE	20%	18%	19%	21%	19%	16%	21%	19%	24%	20%	22%	19%	19%
INCOME UP SAME	37	42	42	44	40	44	41	46	42	46	41	43	44
PRICES UP MORE	41	37	35	33	38	36	35	30	32	32	34	34	35
DK,NA	2	3	4	2	3	4	3	5	2	2	3	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "How about the next year or two--do you expect that your (family) income will go up more than prices will go up, about the same, or less than prices will go up?"

CHART 11 - RECENT CHANGES

TREND IN INCOME AND PRICE COMPARISON

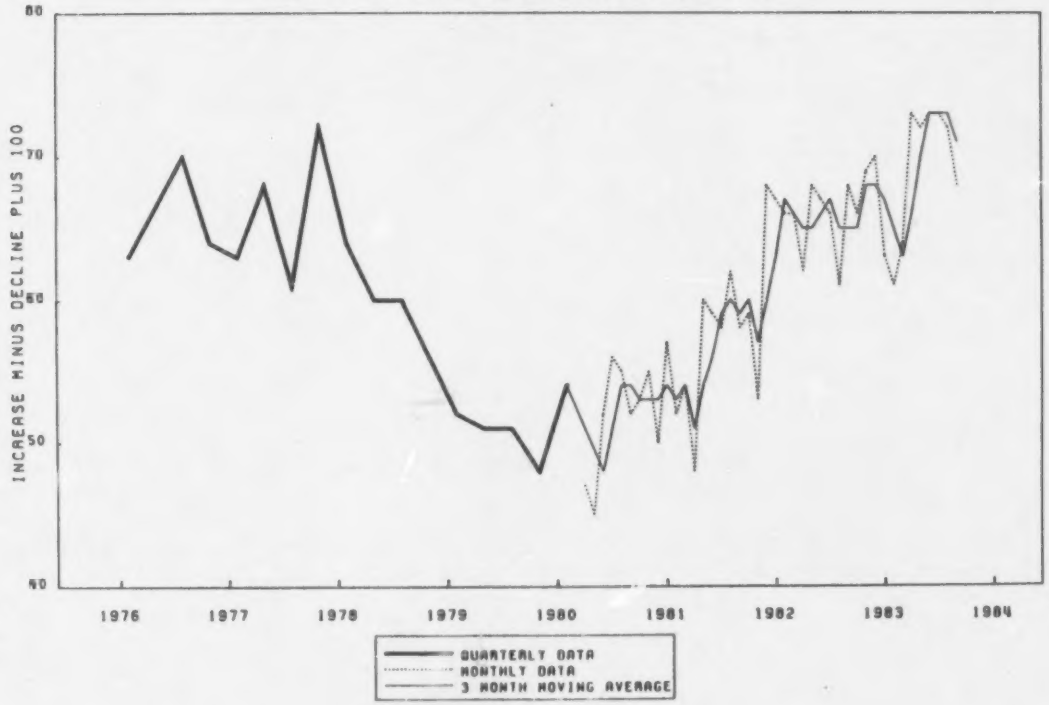


TABLE 11

TREND IN FAMILY INCOME AND PRICES COMPARISONS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
REAL INCOME PROGRESS:													
Continuous increase (a)	9%	9%	9%	8%	8%	8%	10%	9%	10%	9%	10%	10%	8%
Intermittent increase (b)	12	10	10	11	9	8	8	11	10	12	13	13	10
Remain unchanged (c)	18	17	19	21	18	17	15	21	19	21	17	16	21
Intermittent decline (d)	21	23	25	25	24	27	27	23	23	23	23	24	23
Continuous decline (e)	32	30	25	24	30	28	27	24	25	25	27	27	27
Mixed change (f)	5	8	7	7	7	7	9	7	11	7	7	6	8
DK,NA	3	3	5	4	4	5	4	5	2	3	3	4	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

Combination of the responses to the questions on Tables 9 and 10.

Key: (a) Income up more last year/Income up more next year
(b) Income up more/Same or Income up same/More
(c) Income up same/Same
(d) Prices up more/Same or Prices up same/More
(e) Prices up more/More
(f) Income up more/Prices up more or Prices up more/Income up more

CHART 12 - RECENT CHANGES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

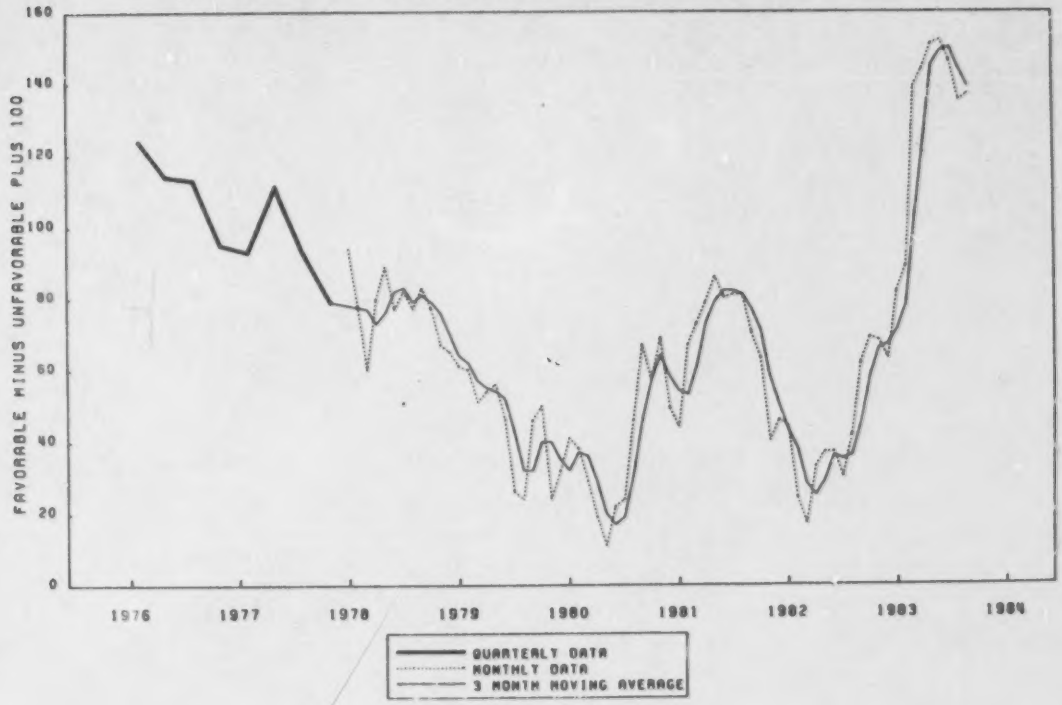


CHART 12 - HISTORICAL SERIES

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS

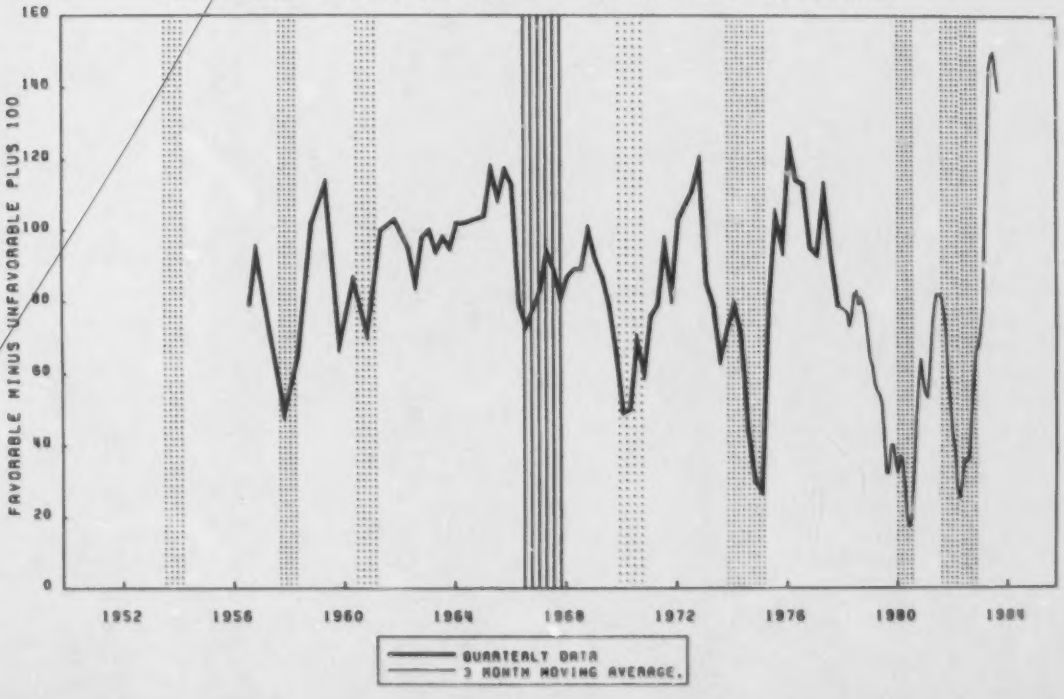


TABLE 12

NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
FAVORABLE NEWS	40%	39%	40%	39%	47%	49%	79%	76%	80%	83%	74%	69%	64%
UNFAVORABLE NEWS	78	70	72	76	65	60	40	32	29	31	28	34	27
NO MENTIONS	26	29	29	27	28	32	28	32	31	27	34	34	43

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

CHART 13A - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

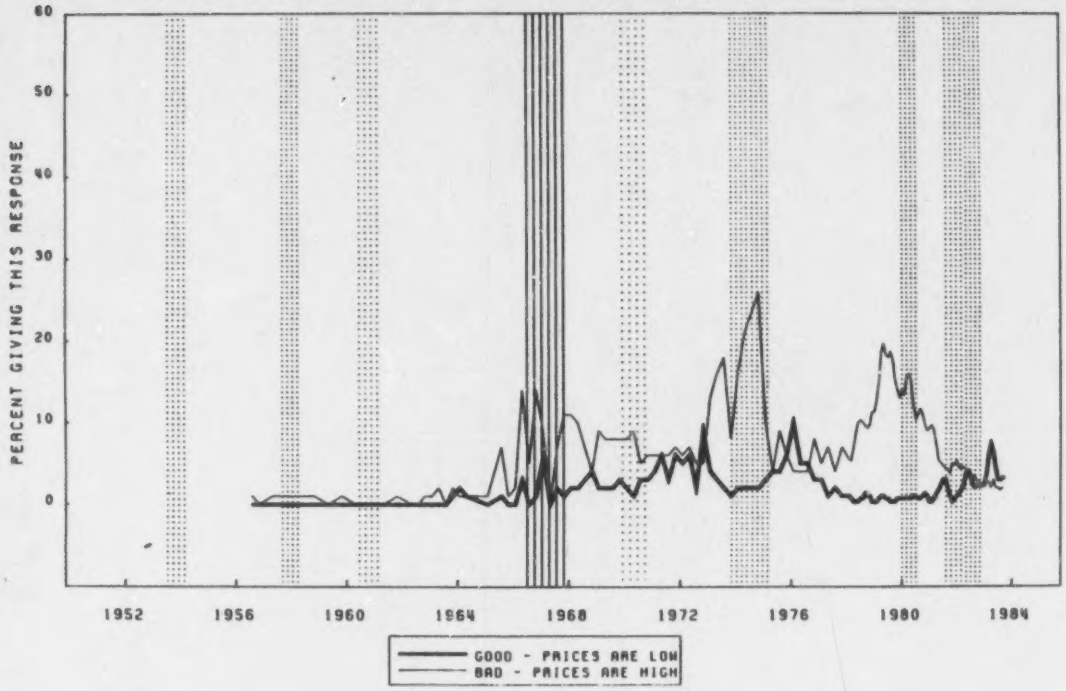


CHART 13B - HISTORICAL SERIES

TYPE OF NEWS HEARD ABOUT CHANGES IN BUSINESS CONDITIONS

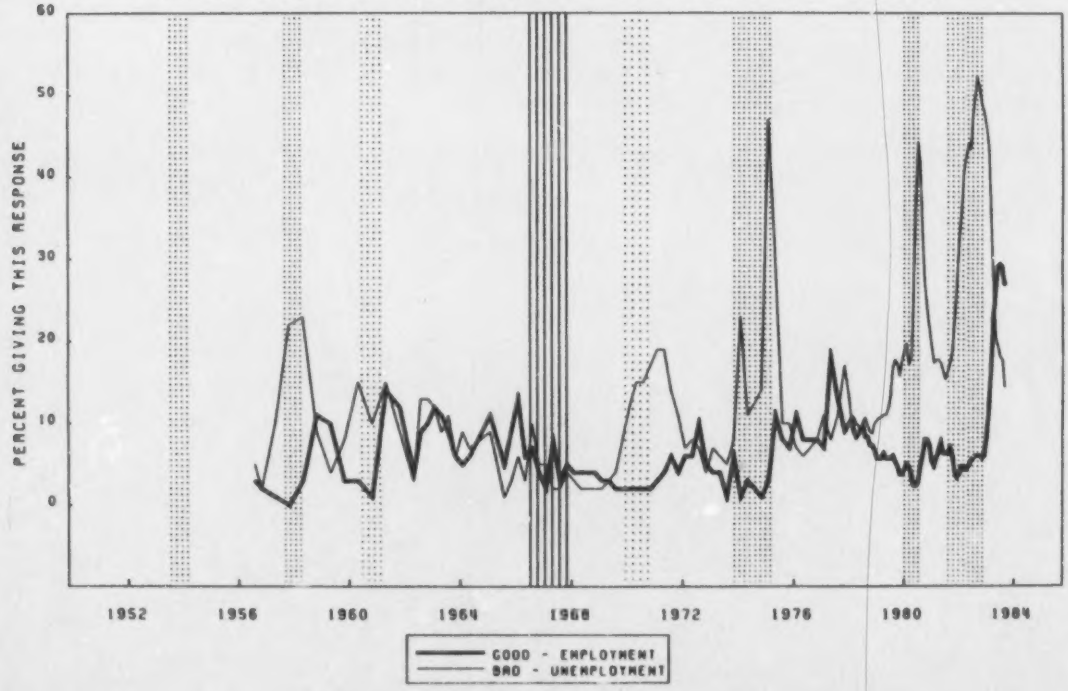


TABLE 13

SELECTED ITEMS OF
NEWS HEARD OF RECENT CHANGES IN BUSINESS CONDITIONS +

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
FAVORABLE NEWS:													
Government; elections	3%	1%	2%	2%	3%	2%	2%	2%	1%	1%	2%	2%	1%
Employment	6	5	6	7	12	17	22	29	28	31	29	27	25
Consumer demand high	1	2	2	3	4	6	8	8	11	12	11	13	11
Prices are low	2	3	2	2	3	6	9	7	3	3	3	3	4
Credit is easy	17	17	18	15	15	9	17	15	16	17	11	8	8
UNFAVORABLE NEWS:													
Government; elections	4	3	2	3	3	4	2	3	3	2	2	3	1
Unemployment	52	48	47	49	43	39	24	20	17	21	16	16	11
Consumer demand low	5	5	7	8	5	3	3	3	2	2	2	2	1
Prices are high	4	1	3	2	3	3	2	1	3	2	1	2	3
Credit is tight	3	3	1	1	2	1	*	1	1	1	3	6	4
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The questions were: "During the last few months, have you heard of any favorable or unfavorable changes in business conditions?" and "What did you hear?"

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 14 - RECENT CHANGES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

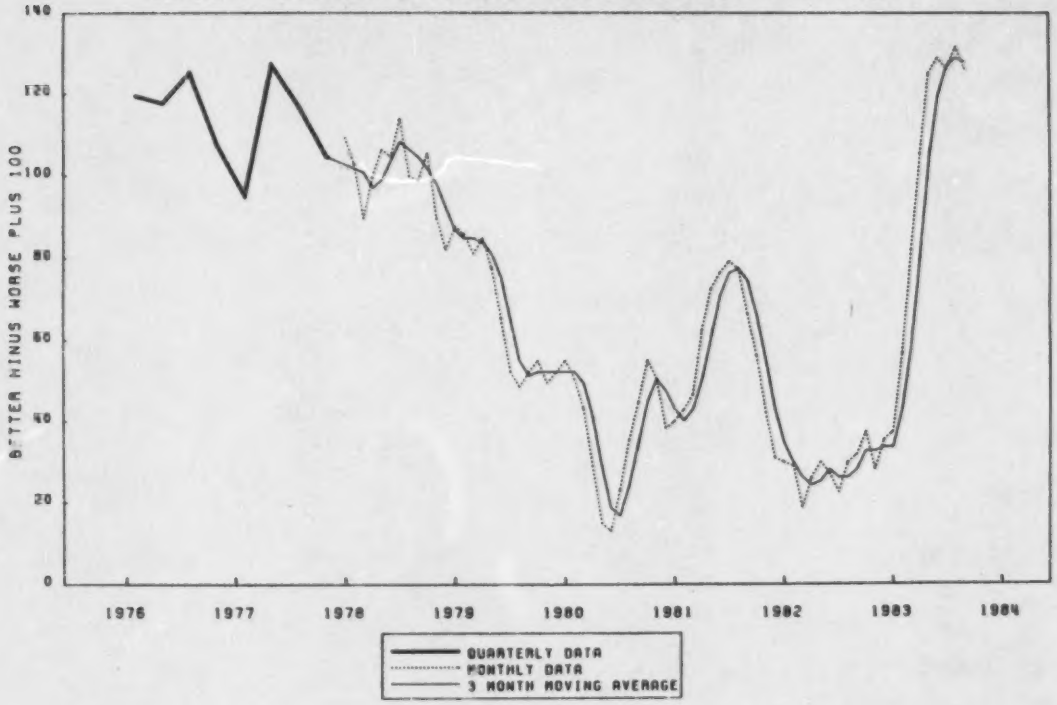


CHART 14 - HISTORICAL SERIES

CURRENT BUSINESS CONDITIONS COMPARED WITH A YEAR AGO

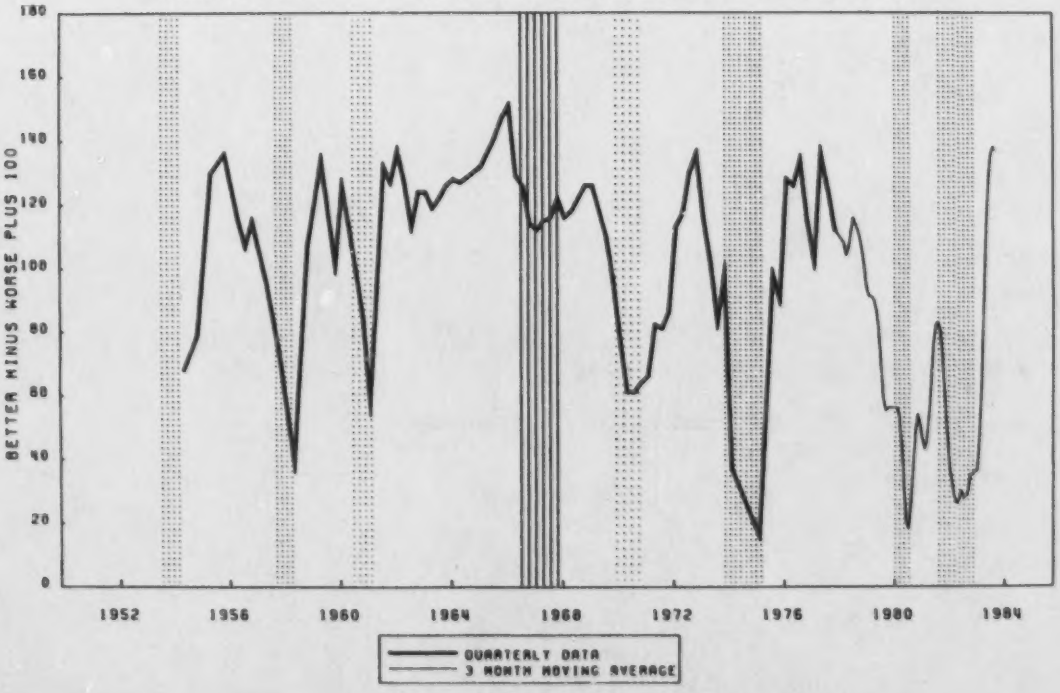


TABLE 14

CURRENT BUSINESS CONDITIONS COMPARED TO A YEAR AGO

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
BETTER NOW	13%	15%	12%	14%	16%	26%	39%	51%	62%	64%	63%	66%	62%
SAME	8	9	5	9	8	8	10	10	10	9	8	8	10
WORSE NOW	79	75	82	76	76	65	51	38	28	26	28	25	27
DK,NA	*	1	1	1	*	1	*	1	*	1	1	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "Would you say that at the present time business conditions are better or worse than they were a year ago?"

* : Less than half of one percent.

CHART 15 - RECENT CHANGES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

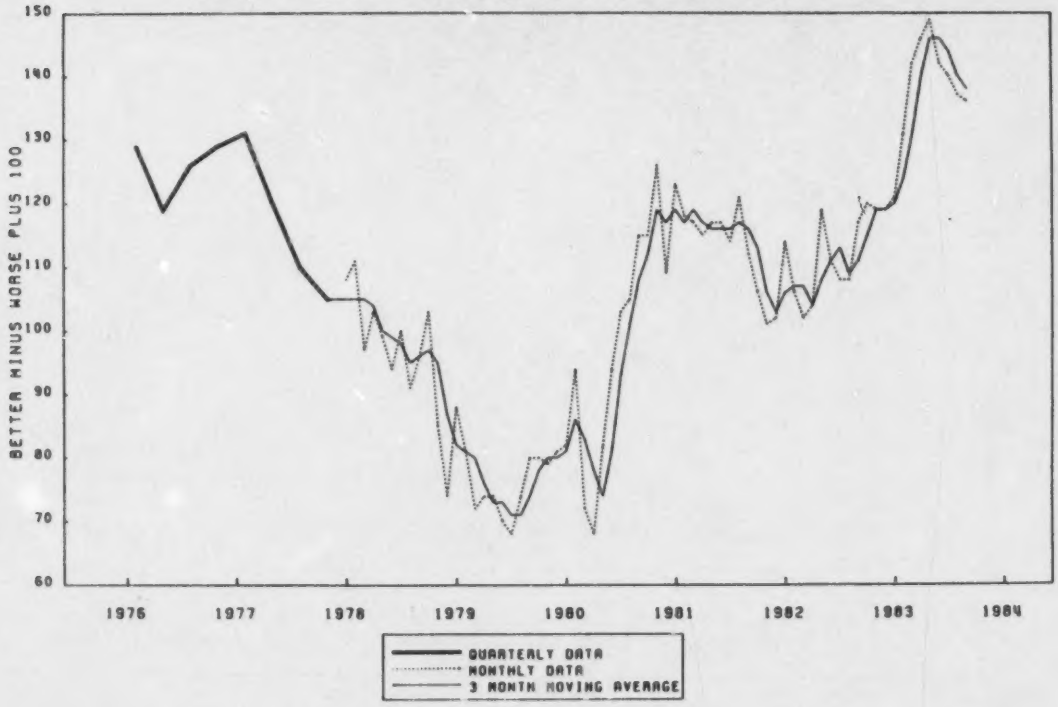


CHART 15 - HISTORICAL SERIES

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

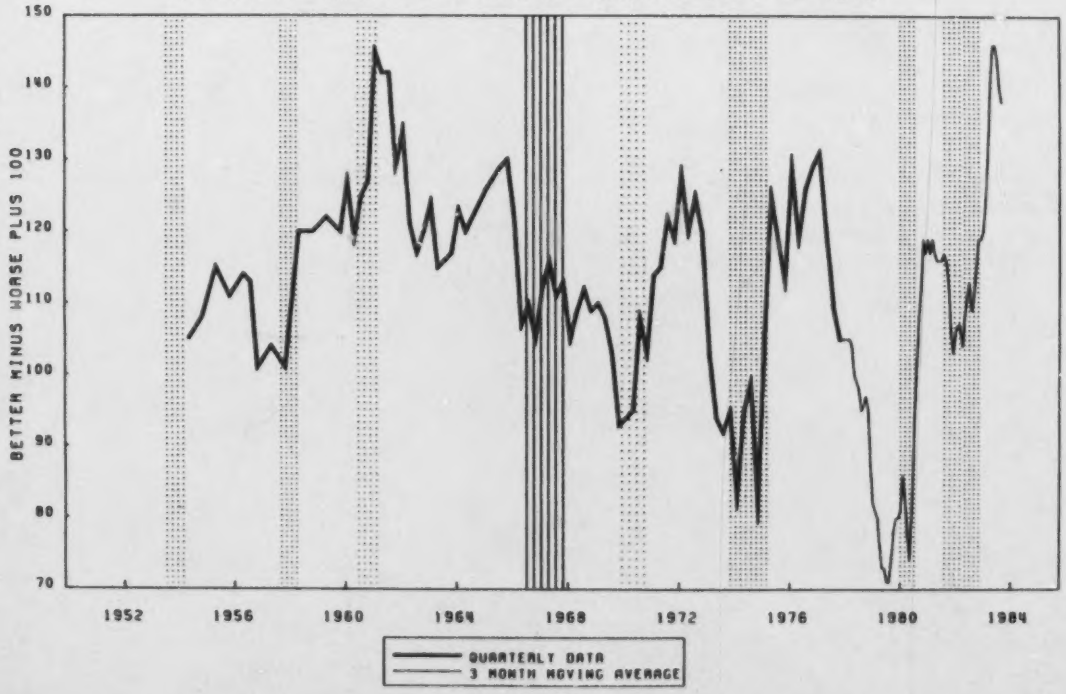


TABLE 15

EXPECTED CHANGE IN BUSINESS CONDITIONS IN A YEAR

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
BETTER	36%	40%	38%	39%	38%	45%	51%	53%	55%	49%	48%	47%	46%
SAME	43	36	41	41	43	40	39	38	38	42	42	42	42
WORSE	19	20	19	20	17	14	9	7	6	7	8	10	10
DK,NA	2	4	2	*	2	1	1	2	1	2	2	1	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "And how about a year from now, do you expect that in the country as a whole business conditions will be better, or worse than they are at present, or just about the same?"

* : Less than half of one percent.

CHART 16A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

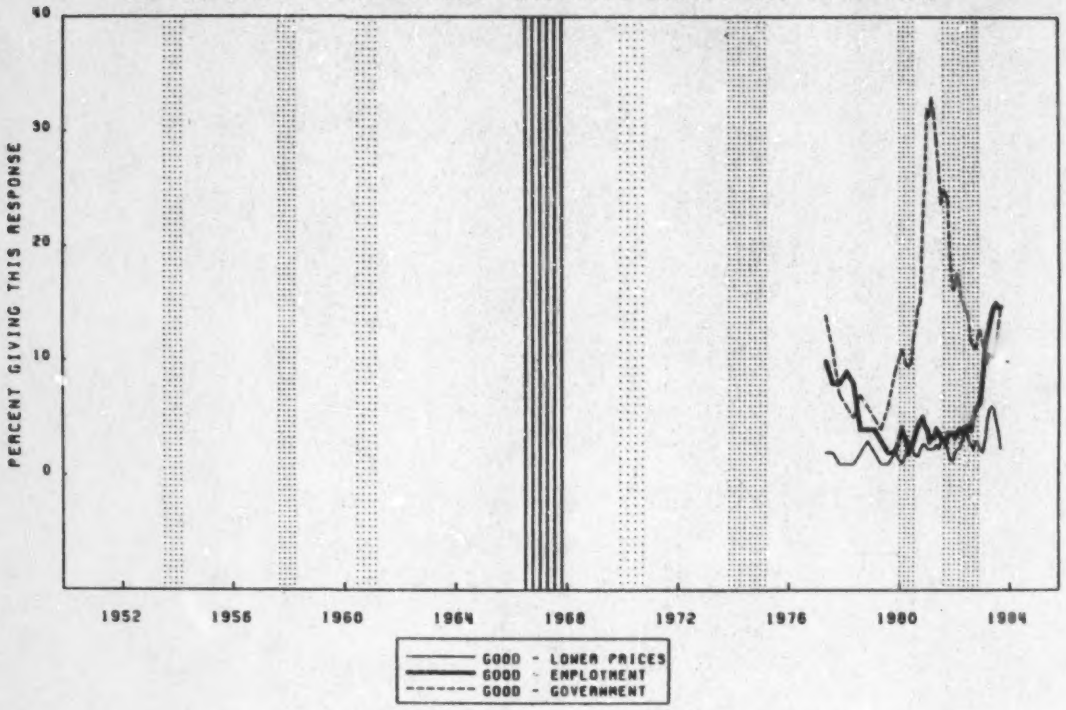


CHART 16B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUSINESS CONDITIONS IN A YEAR

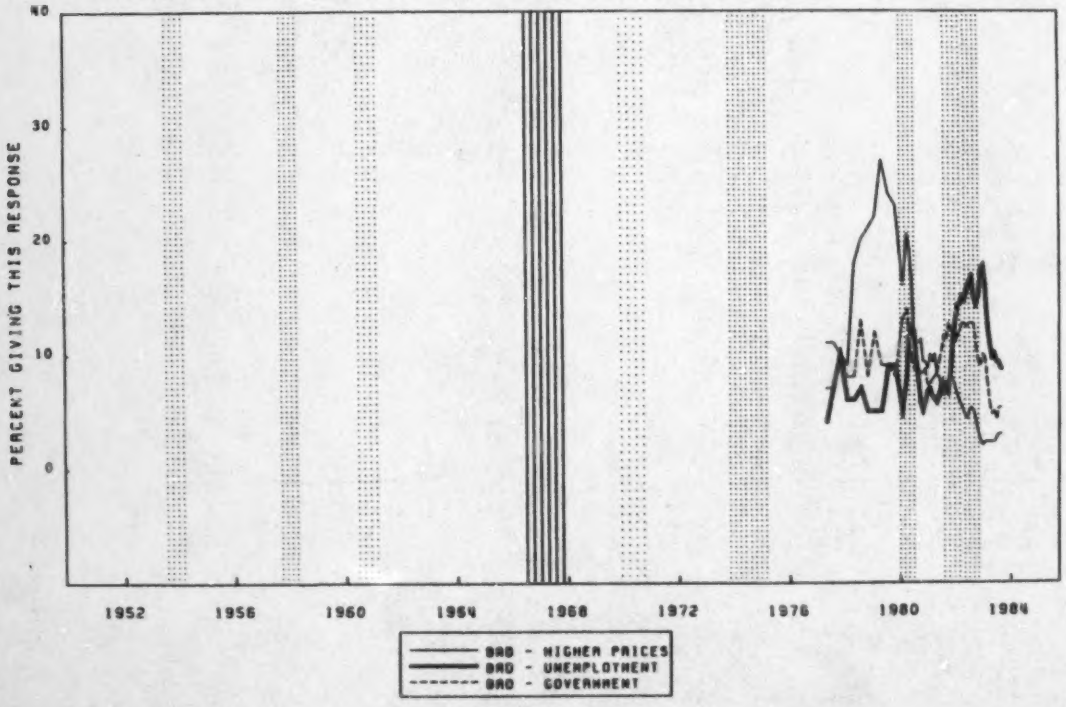


TABLE 16

REASONS FOR OPINIONS ABOUT CHANGES IN BUSINESS CONDITIONS IN A YEAR +

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
FAVORABLE REASONS:													
Government; elections	11%	11%	14%	13%	8%	11%	10%	11%	10%	10%	13%	16%	15%
Employment	7	6	5	8	11	13	12	14	16	14	15	15	14
Higher consumer demand	3	4	4	6	5	7	6	9	10	9	7	6	7
Lower prices	3	4	1	2	3	4	7	6	5	6	3	2	2
Easier credit	13	15	12	12	12	12	13	14	12	12	7	6	5
UNFAVORABLE REASONS:													
Government; elections	12	8	8	11	11	7	5	5	4	6	4	6	6
Unemployment	13	14	18	20	15	13	10	10	9	11	8	9	9
Lower consumer demand	5	3	5	5	4	4	2	4	2	2	4	3	1
Higher prices	4	3	2	2	2	3	2	2	3	2	3	4	2
Tighter credit	7	3	3	2	2	2	1	2	2	3	4	3	2
Energy crisis	*	*	*	*	*	*	*	*	*	*	*	*	*

The question was: "Why do you expect business conditions to be better/the same/worse a year from now?" following the question on table 15.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 17 - RECENT CHANGES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

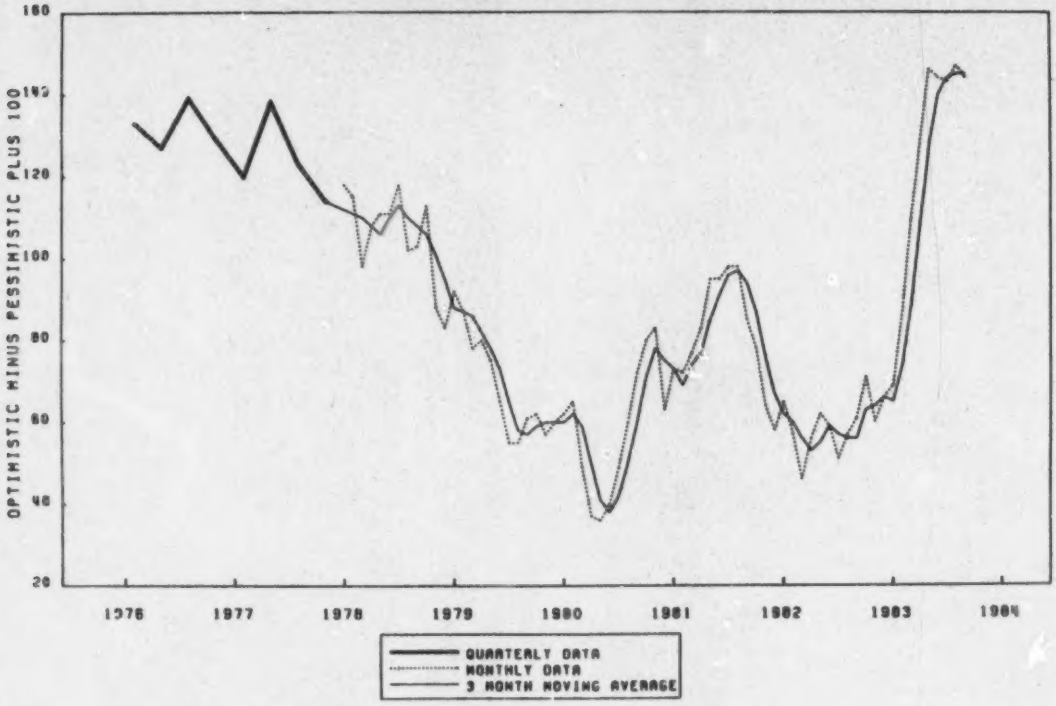


CHART 17 - HISTORICAL SERIES
TREND IN PAST AND EXPECTED BUSINESS CONDITIONS

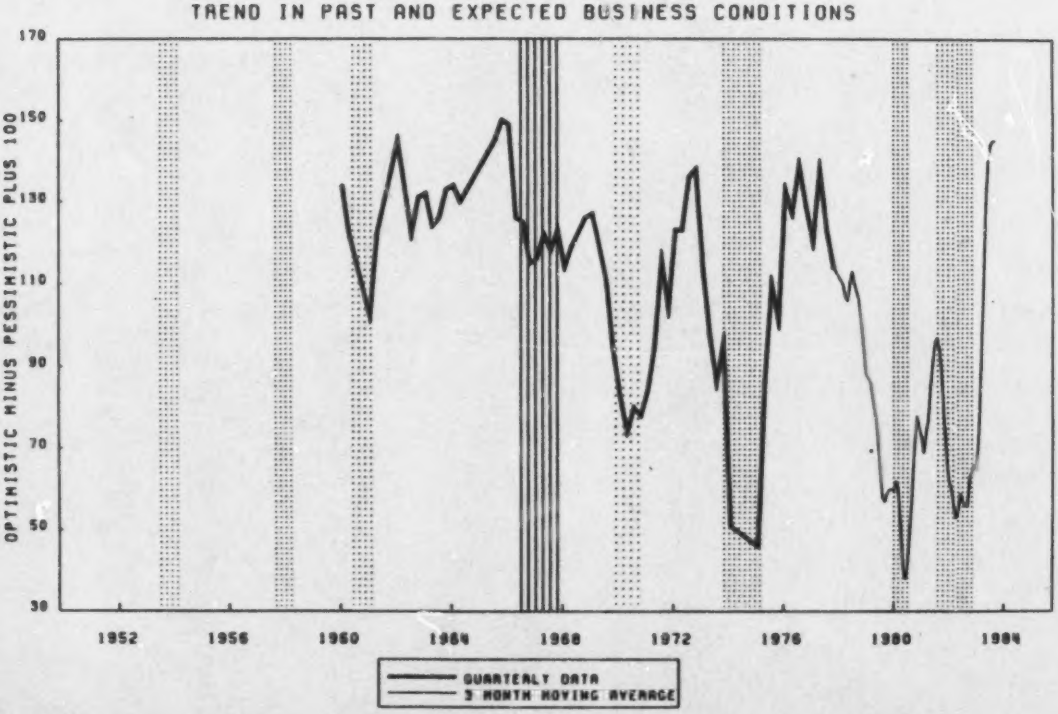


TABLE 17

TREND IN PAST AND EXPECTED CHANGES IN BUSINESS CONDITIONS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
TREND:													
Continuous increase (a)	8%	10%	8%	8%	11%	18%	28%	36%	42%	39%	39%	38%	34%
Intermittent increase (b)	6	9	7	9	9	11	15	18	23	26	24	27	28
Remain unchanged (c)	4	3	1	4	3	4	4	5	5	5	5	6	7
Intermittent decline (d)	36	29	37	33	35	29	25	19	14	16	15	12	12
Continuous decline (e)	17	19	18	18	16	13	8	6	5	5	5	6	6
Mixed change (f)	27	26	27	27	24	23	18	14	10	7	9	9	10
DK,NA	2	4	2	1	2	2	2	2	1	2	3	2	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

Combination of the responses to the questions on Tables 14 and 15.

Key: (a) Better than a year ago/Better a year from now
(b) Better/Same or Same/Better
(c) Same/Same
(d) Worse/Same or Same/Worse
(e) Worse/Worse
(f) Worse/Better or Better/Worse

CHART 18 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

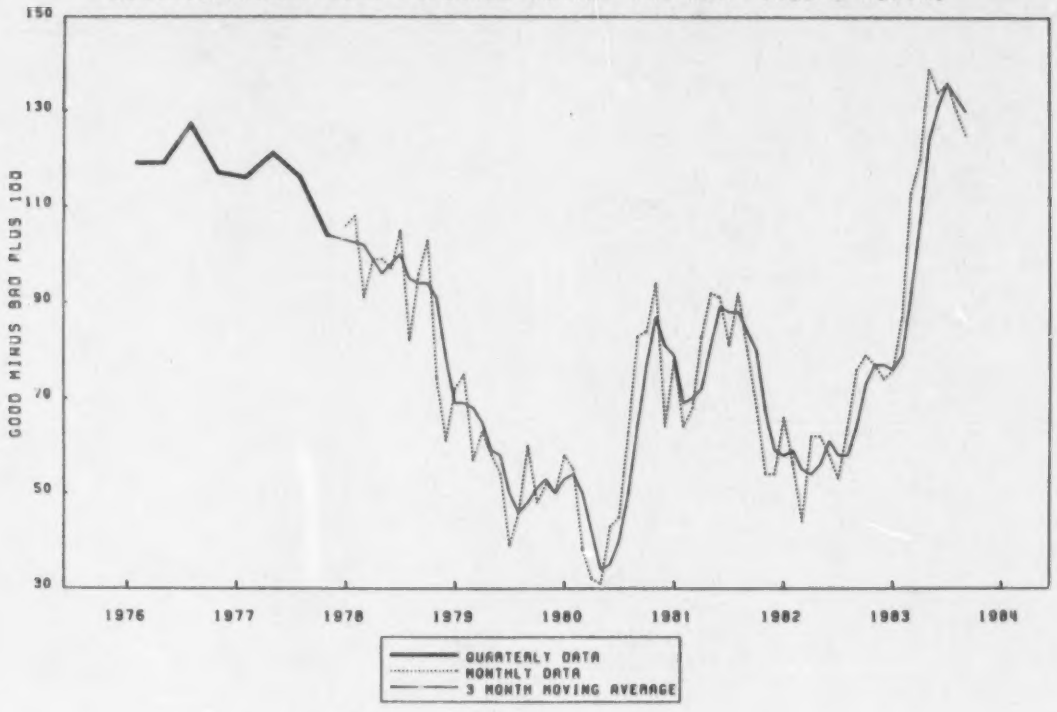


CHART 18 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED DURING THE NEXT TWELVE MONTHS

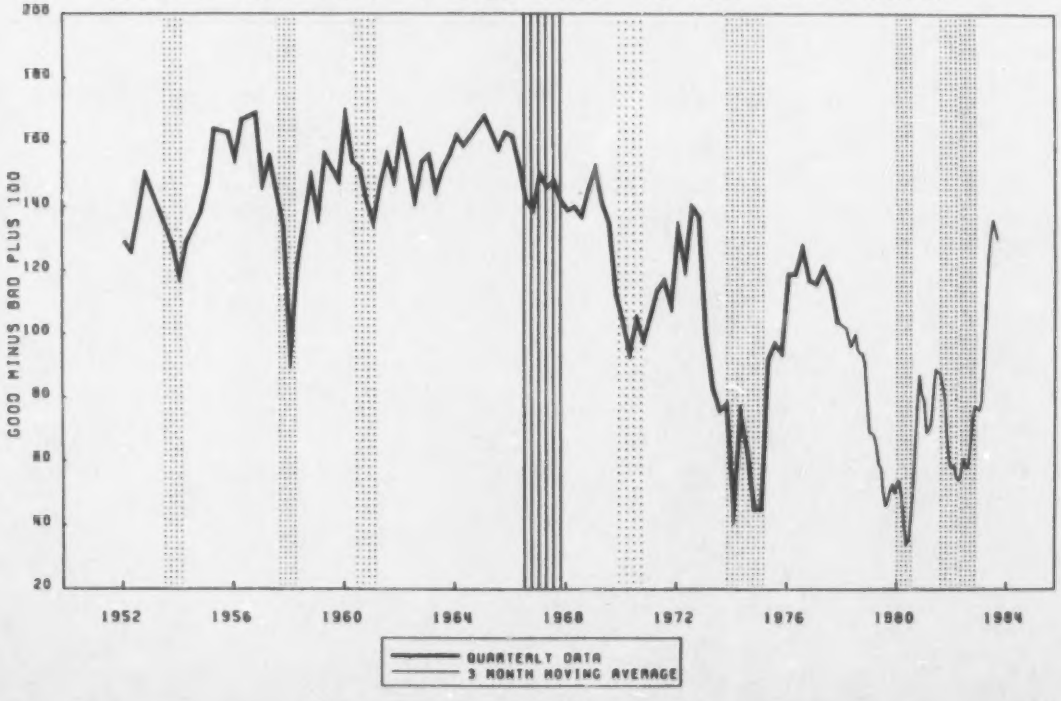


TABLE 18

BUSINESS CONDITIONS EXPECTED DURING THE NEXT 12 MONTHS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
GOOD TIMES	33%	35%	33%	32%	34%	39%	52%	56%	65%	63%	63%	60%	58%
UNCERTAIN; GOOD & BAD	4	3	4	2	1	1	2	1	2	3	3	3	2
BAD TIMES	57	56	56	58	58	52	39	36	26	29	27	30	33
DON'T KNOW	4	4	3	5	3	3	4	3	4	3	6	5	5
NOT ASCERTAINED	2	2	4	3	4	5	3	4	3	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "Now turning to business conditions in the country as a whole--do you think that during the next 12 months we'll have good times financially, or bad times or what?"

CHART 19 - RECENT CHANGES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

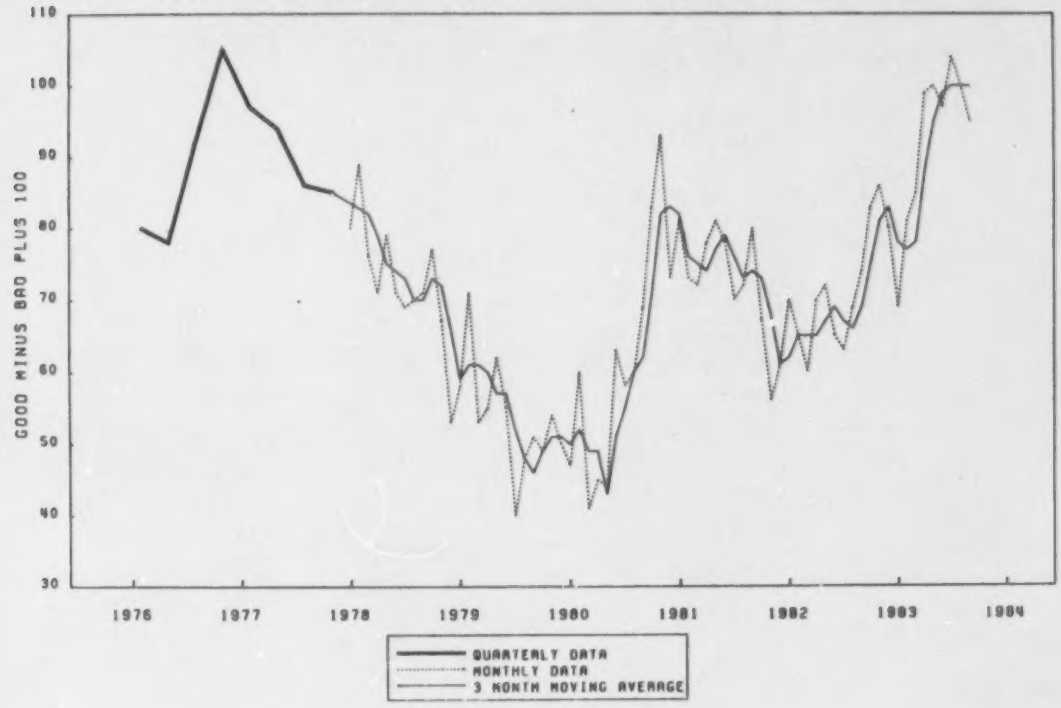


CHART 19 - HISTORICAL SERIES

BUSINESS CONDITIONS EXPECTED FOR THE NEXT FIVE YEARS

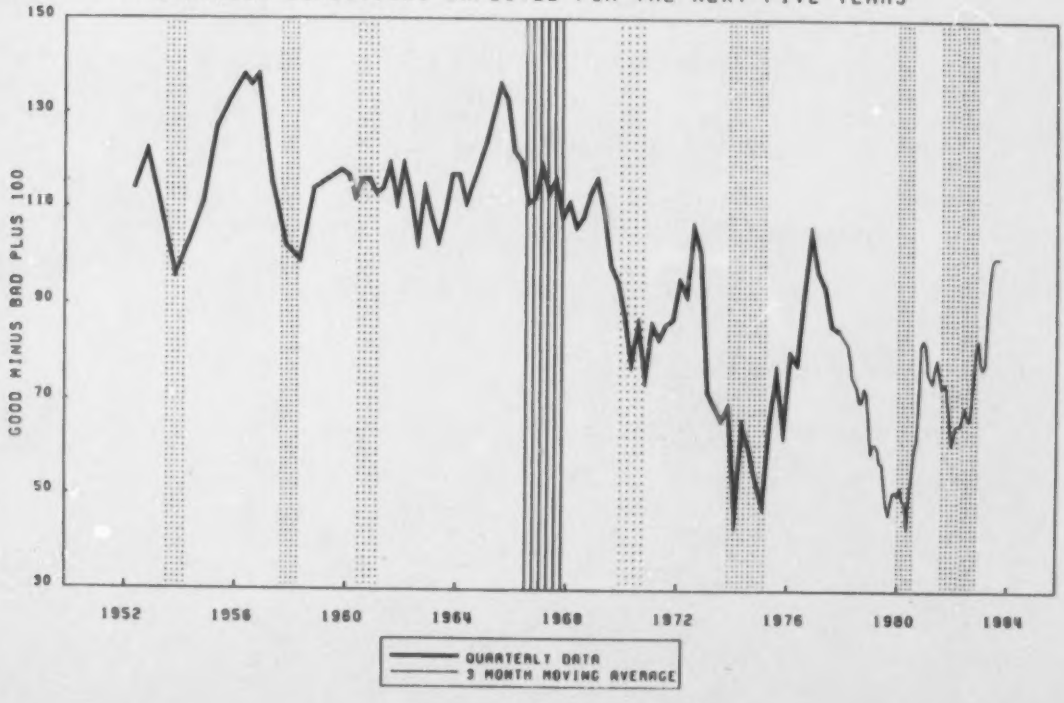


TABLE 19

BUSINESS CONDITIONS EXPECTED DURING THE NEXT FIVE YEARS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
GOOD TIMES	28%	32%	33%	29%	26%	31%	33%	38%	39%	39%	39%	37%	37%
UNCERTAIN; GOOD & BAD	14	14	14	14	12	13	15	18	18	15	20	22	19
BAD TIMES	54	49	47	49	57	50	48	39	39	42	35	37	42
NOT ASCERTAINED	4	5	6	8	5	6	4	5	4	4	6	4	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "Looking ahead, which would you say is more likely--that in the country as a whole we'll have continuous good times during the next 5 years or so, or that we will have periods of widespread unemployment or depression, or what?"

CHART 20 - RECENT CHANGES
EXPECTED CHANGE IN UNEMPLOYMENT

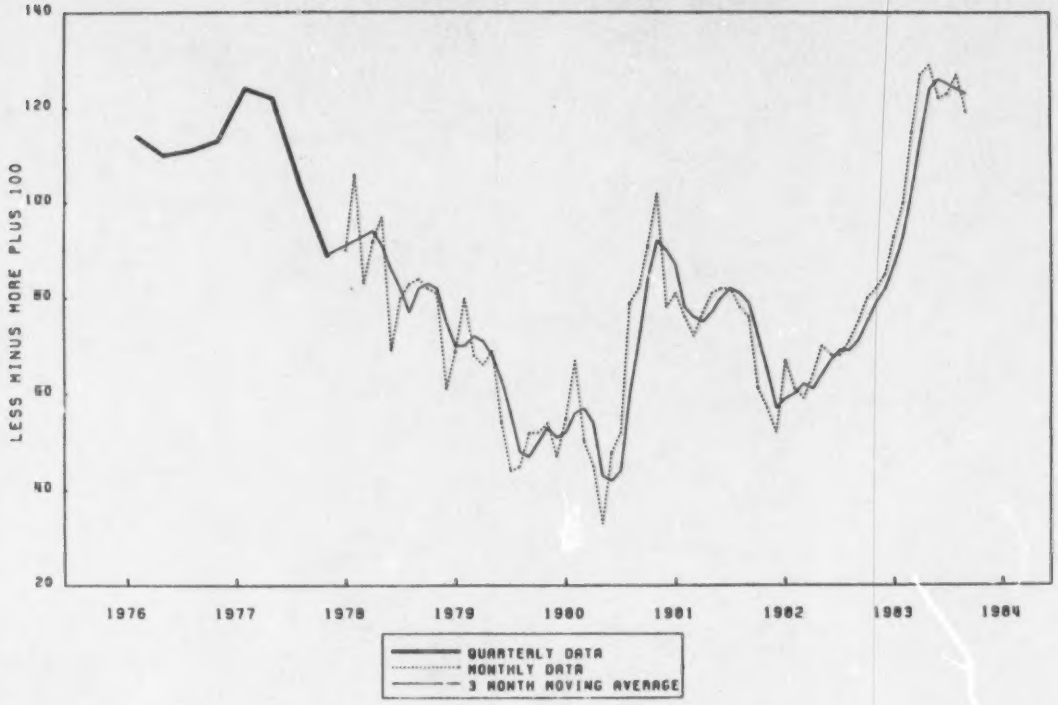


CHART 20 - HISTORICAL SERIES
EXPECTED CHANGE IN UNEMPLOYMENT

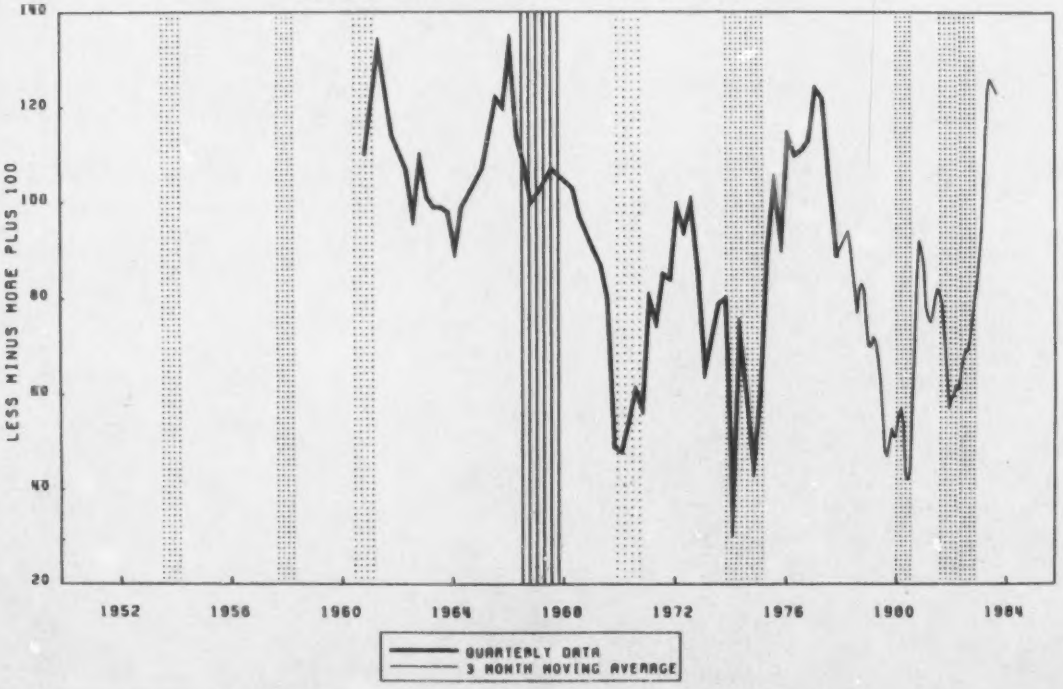


TABLE 20

EXPECTED CHANGE IN UNEMPLOYMENT

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
LESS	18%	21%	19%	22%	23%	29%	36%	42%	42%	37%	39%	42%	36%
SAME	38	36	42	40	45	41	43	41	44	47	44	40	46
MORE	43	41	37	37	30	29	21	15	13	15	16	15	17
DK,NA	1	2	2	1	2	1	*	2	1	1	1	3	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "How about people out of work during the coming 12 months--do you think that there will be more unemployment than now, about the same, or less?"

* : Less than half of one percent.

CHART 21 - RECENT CHANGES
EXPECTED CHANGE IN INTEREST RATES

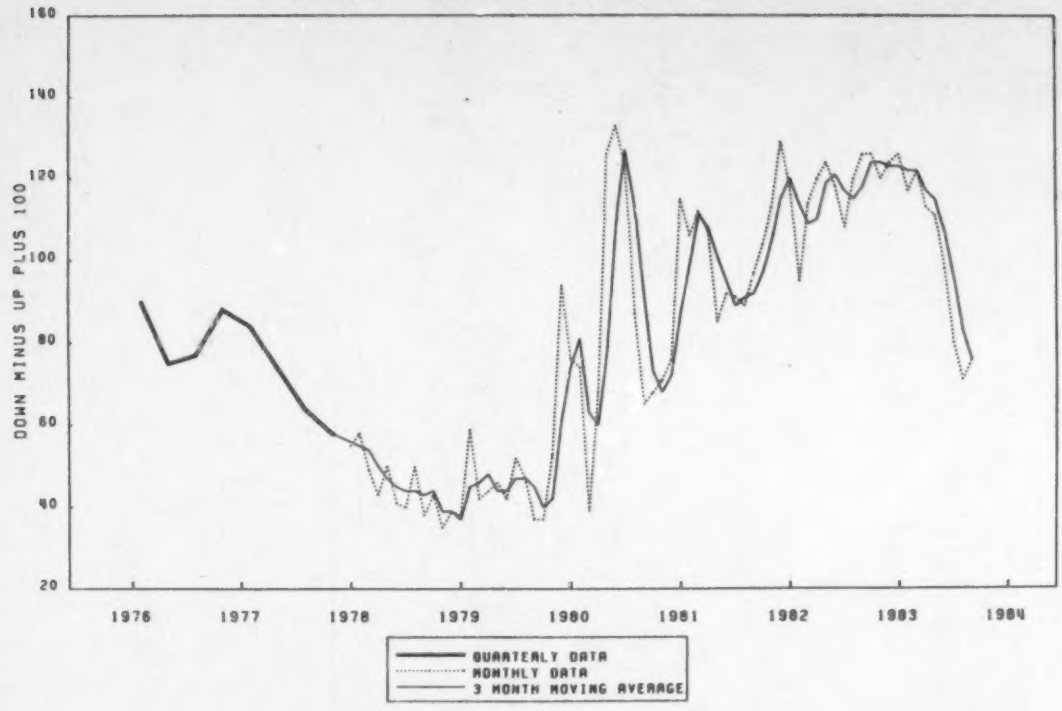


CHART 21 - HISTORICAL SERIES
EXPECTED CHANGE IN INTEREST RATES

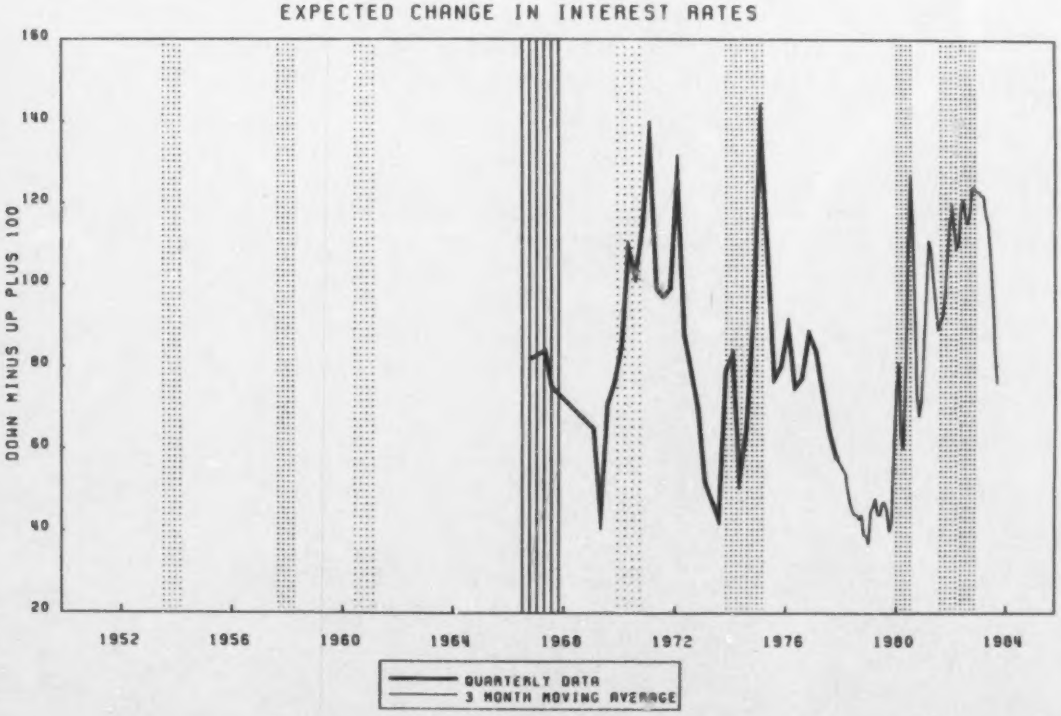


TABLE 21

EXPECTED CHANGE IN INTEREST RATES

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
GO UP	22%	22%	25%	20%	18%	24%	19%	21%	20%	29%	40%	47%	44%
STAY THE SAME	26	26	26	33	35	32	38	42	47	42	37	32	33
GO DOWN	48	48	45	44	44	41	41	34	31	27	20	18	20
DK,NA	4	4	4	3	3	3	2	3	2	2	3	3	3
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months--will they go up, stay the same, or go down?"

CHART 22 - RECENT CHANGES

CHANGE IN PRICES DURING THE LAST 12 MONTHS

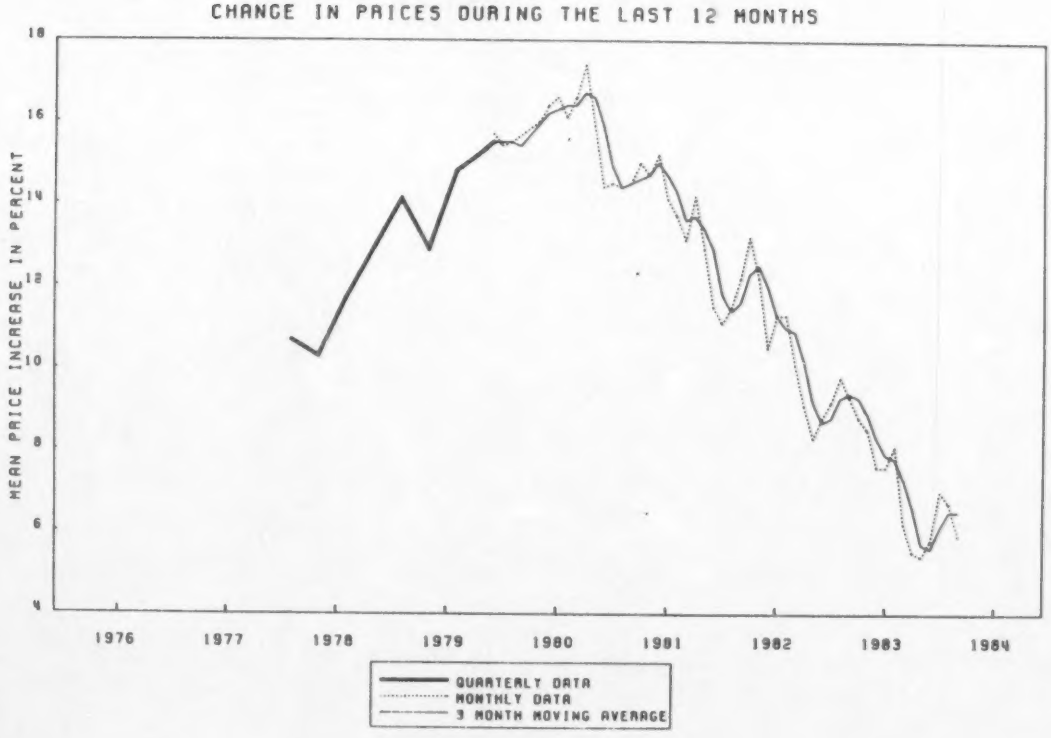


TABLE 22

CHANGE IN PRICES DURING THE LAST 12 MONTHS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
SAME OR DOWN	16%	20%	20%	20%	23%	24%	31%	30%	31%	29%	23%	25%	25%
GONE UP BY:													
1-2%	6	4	5	6	7	5	6	8	9	8	8	8	11
3-4%	10	7	9	9	11	10	10	10	13	13	14	14	13
5%	12	13	15	17	17	15	12	17	13	14	13	16	15
6-9%	14	12	12	12	9	10	9	9	8	11	11	8	7
10-14%	19	22	14	17	15	14	15	11	14	11	13	13	12
15% or more	16	14	18	14	12	16	11	9	8	10	11	11	9
DK how much up	7	7	6	5	5	5	5	5	4	3	6	5	7
DK,NA	*	1	1	*	1	1	1	1	*	1	1	*	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	9.3	8.8	8.5	7.6	7.6	8.1	6.2	5.5	5.4	5.8	7.0	6.7	5.9
VARIANCE	115	106	102	82	108	113	71	64	61	65	88	93	71
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The questions were: "During the last 12 months, have prices of the things you buy remained unchanged, or have they gone up, or have they gone down?" and "By about what percent do you think prices have gone up,on the average, during the last 12 months?"

* : Less than half of one percent.

CHART 23 - RECENT CHANGES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

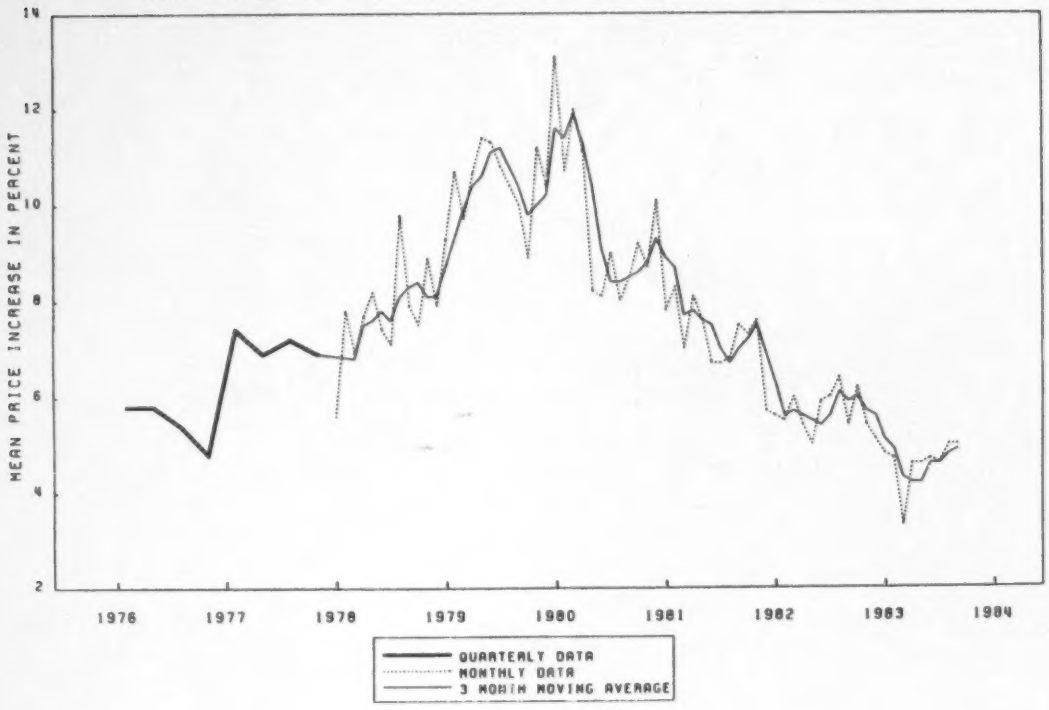


CHART 23 - HISTORICAL SERIES

MEAN EXPECTED PRICE INCREASE OVER THE NEXT 12 MONTHS

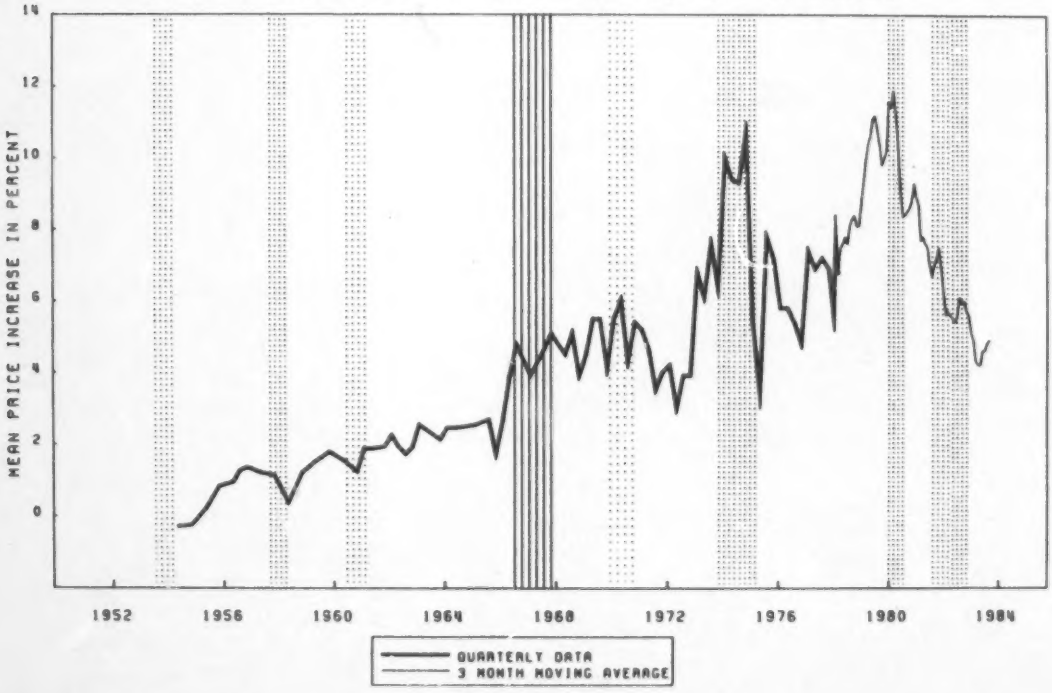


TABLE 23

EXPECTED CHANGE IN PRICES DURING THE NEXT 12 MONTHS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
SAME OR DOWN	31%	31%	32%	33%	35%	36%	44%	30%	32%	33%	29%	23%	28%
WILL GO UP BY:													
1-2%	7	5	5	6	10	8	9	10	9	8	12	14	13
3-4%	9	8	10	13	11	12	12	13	13	15	15	16	14
5%	14	14	15	15	16	15	14	17	17	16	15	16	16
6-9%	13	11	11	9	7	9	5	10	10	9	9	9	7
10-14%	12	15	12	11	9	8	8	9	10	9	9	9	10
15% or more	7	9	9	8	7	7	4	5	5	6	6	6	7
DK how much up	5	5	3	3	3	3	3	4	3	3	3	5	4
DK,NA	2	2	3	2	2	2	1	2	1	1	2	2	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
MEAN INCREASE	5.4	6.2	5.4	5.1	4.8	4.7	3.3	4.6	4.6	4.7	4.6	5.0	5.0
VARIANCE	59	82	55	56	67	60	33	45	49	54	44	47	51
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The questions were: "During the next 12 months, do you think that prices in general will go up, or go down, or stay where they are now?" and "By about what percent do you expect prices to go up, on the average, during the next 12 months?"

CHART 24 - RECENT CHANGES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

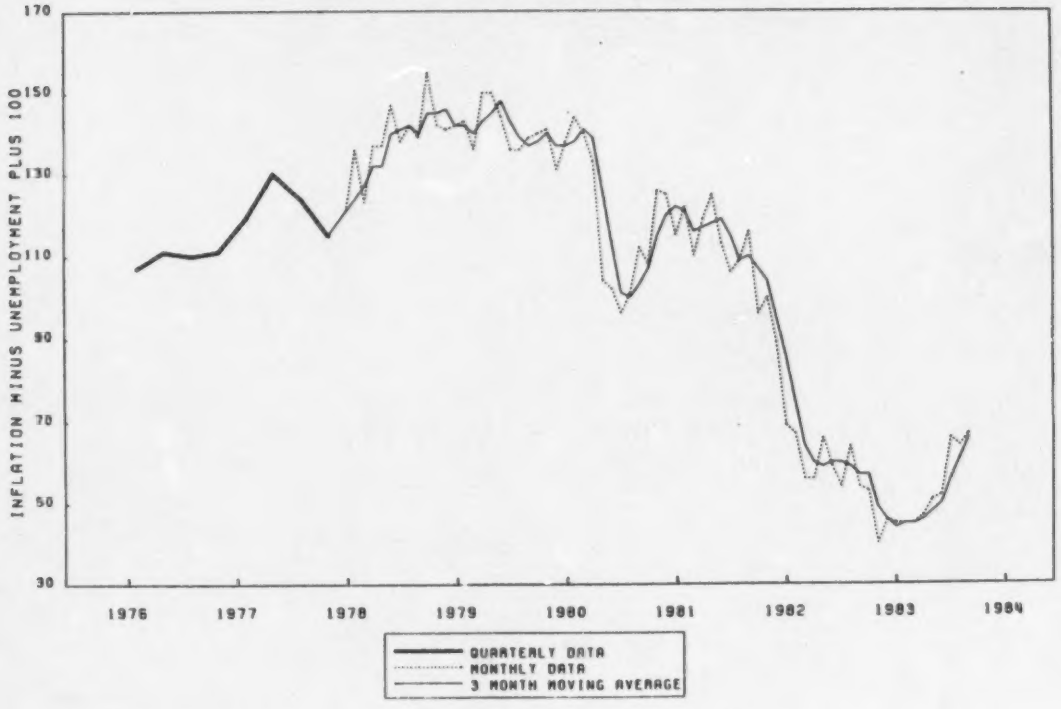


CHART 24 - HISTORICAL SERIES

UNEMPLOYMENT OR INFLATION MORE SERIOUS

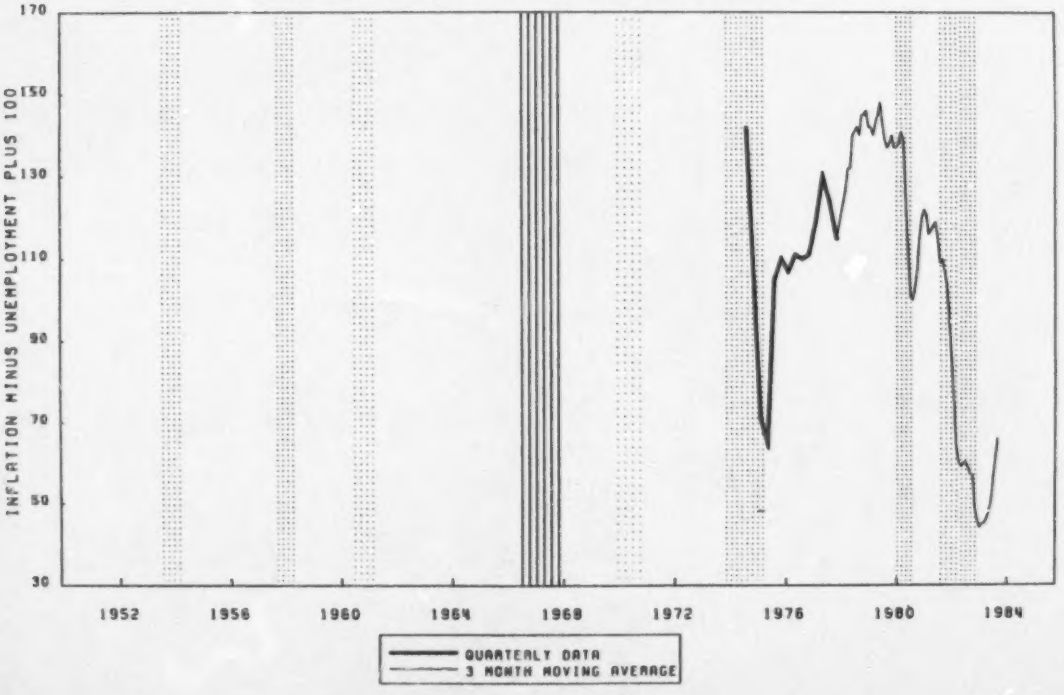


TABLE 24

UNEMPLOYMENT OR INFLATION MORE SERIOUS ECONOMIC HARDSHIP

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
UNEMPLOYMENT	68%	67%	76%	72%	74%	73%	73%	73%	71%	70%	63%	65%	62%
BOTH EQUALLY SERIOUS	9	11	7	9	5	8	8	6	6	7	6	5	8
INFLATION	22	20	16	18	19	18	18	20	22	22	29	29	29
DK,NA	1	2	1	1	2	1	1	1	1	1	2	1	1
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "Which of the two problems--unemployment or inflation--do you think will cause the more serious economic hardship for people during the next year or so?"

CHART 25 - RECENT CHANGES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

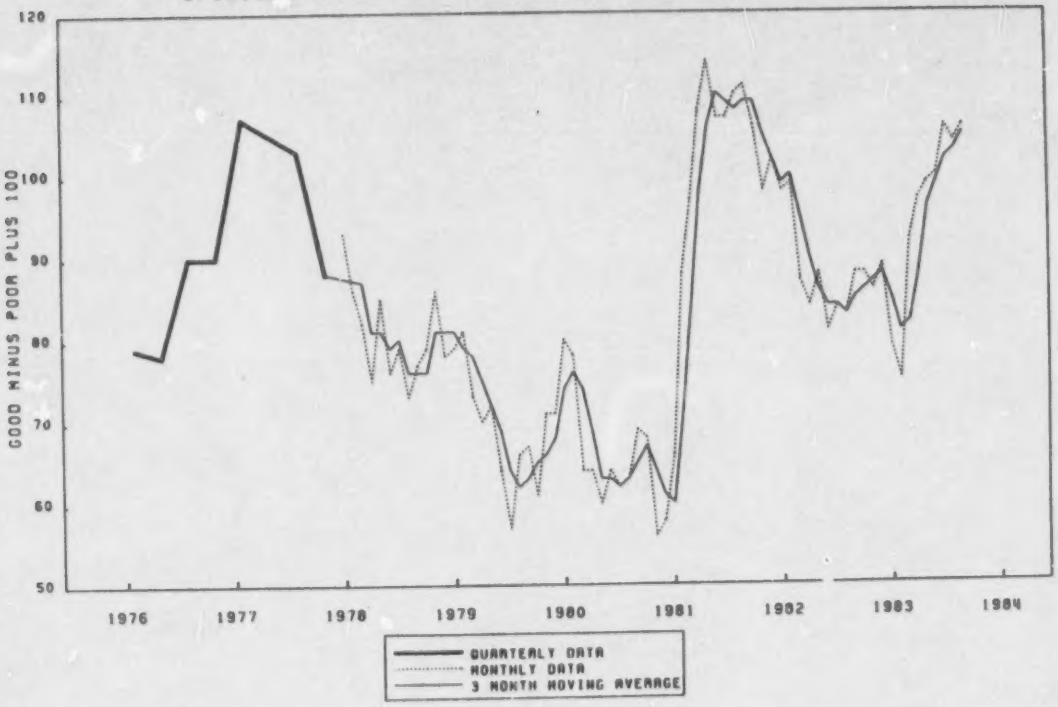


CHART 25 - HISTORICAL SERIES

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

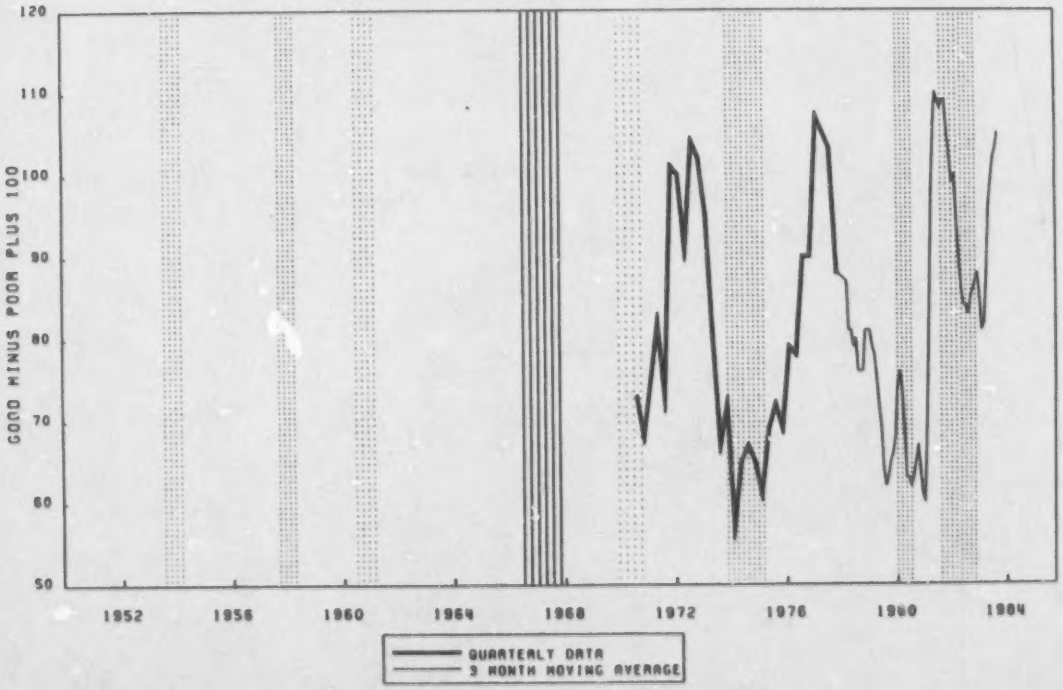


TABLE 25

OPINIONS ABOUT THE GOVERNMENT'S ECONOMIC POLICY

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
A GOOD JOB	19%	21%	19%	19%	16%	16%	21%	21%	20%	23%	27%	27%	27%
ONLY FAIR	46	41	45	47	45	40	48	53	57	52	51	48	50
A POOR JOB	31	33	33	30	37	41	29	24	21	23	21	23	21
DK,NA	4	5	3	4	2	3	2	2	2	2	1	2	2
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "As to the economic policy of the government--I mean steps taken to fight inflation or unemployment--would you say the government is doing a good job, only fair, or a poor job?"

CHART 26 - RECENT CHANGES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

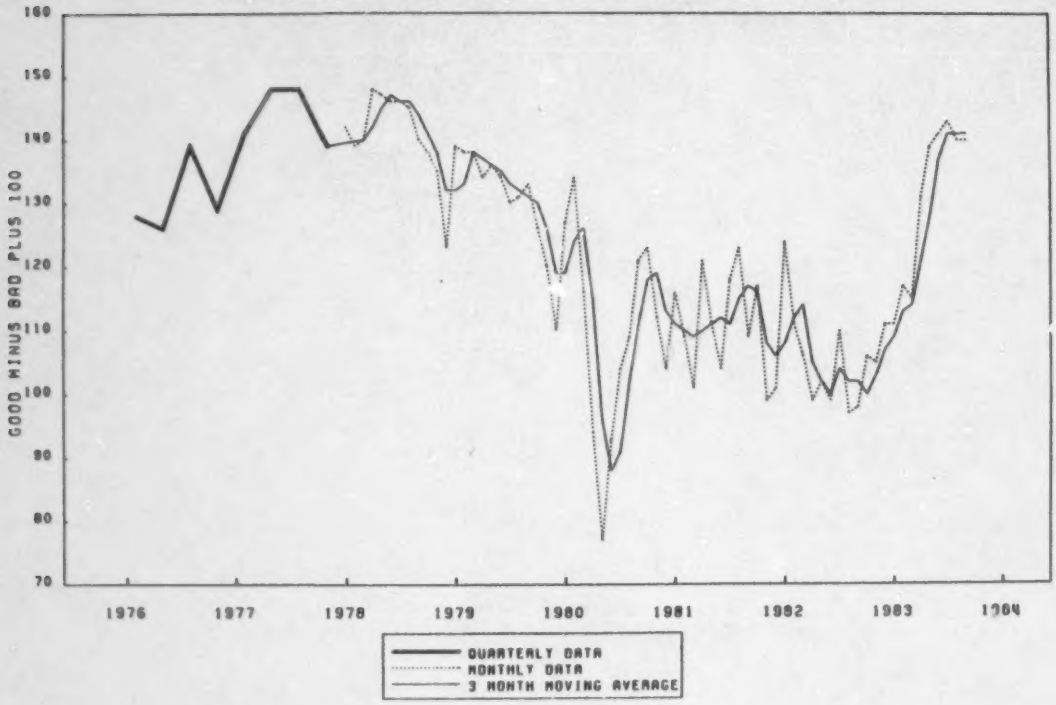


CHART 26 - HISTORICAL SERIES

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

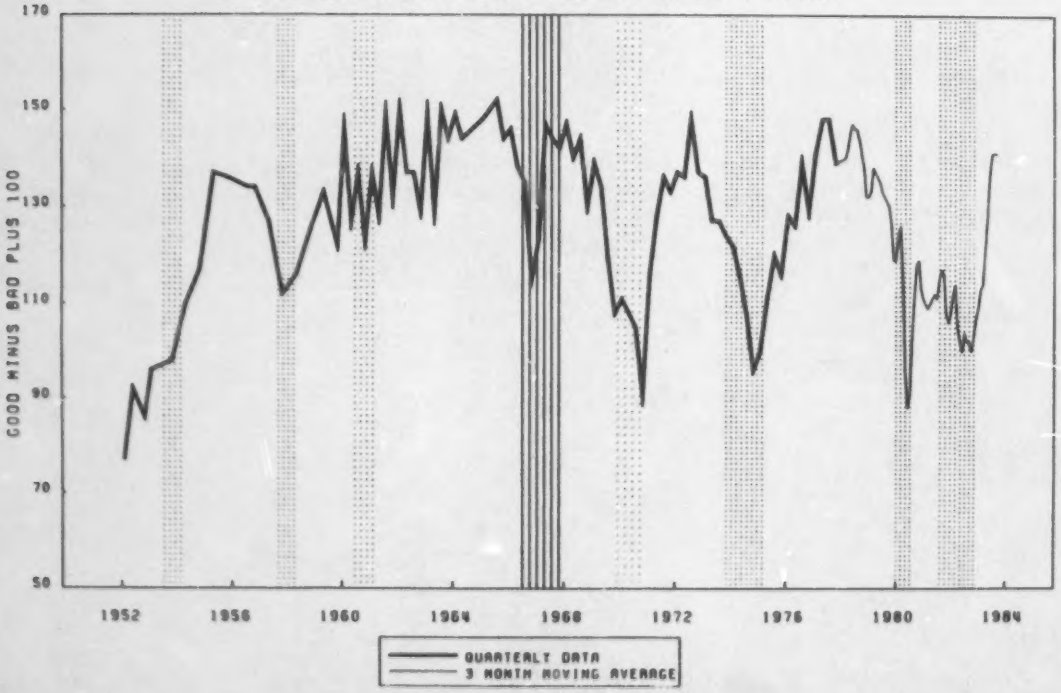


TABLE 26

BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
GOOD TIME TO BUY	42%	46%	47%	50%	51%	54%	53%	61%	67%	66%	67%	64%	66%
UNCERTAIN, DEPENDS	14	14	11	11	9	9	9	9	5	9	9	12	8
BAD TIME TO BUY	44	40	42	39	40	37	38	30	28	25	24	24	26
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "About the big things people buy for their homes--such as furniture, a refrigerator, stove, television, and things like that. Generally speaking, do you think now is a good or a bad time for people to buy major household items?"

CHART 27A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

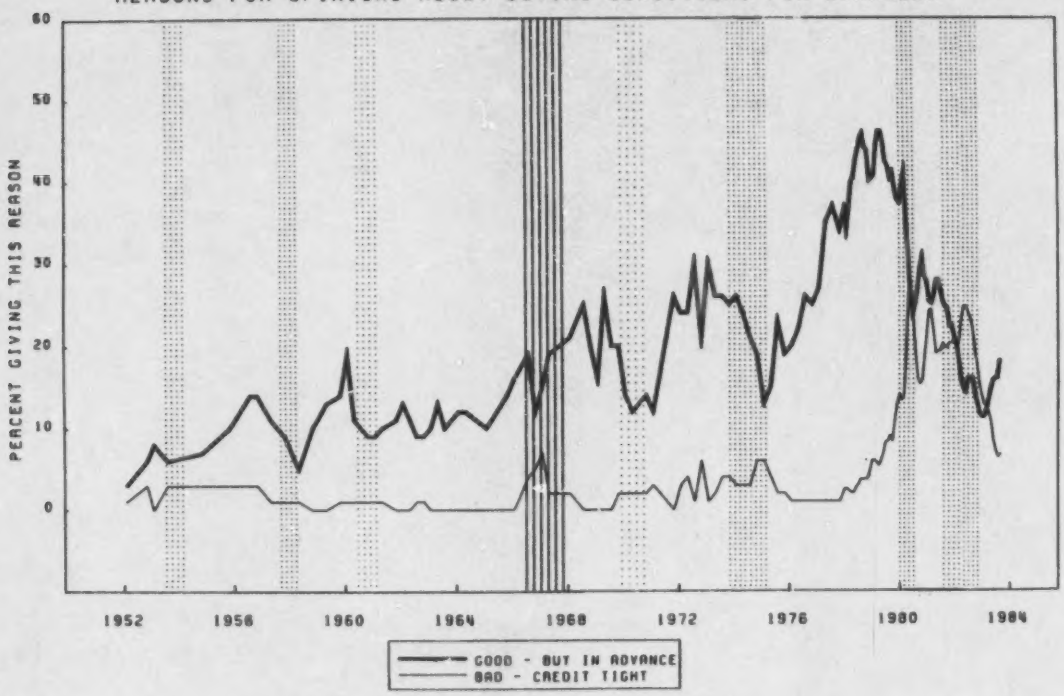


CHART 27B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR DURABLES

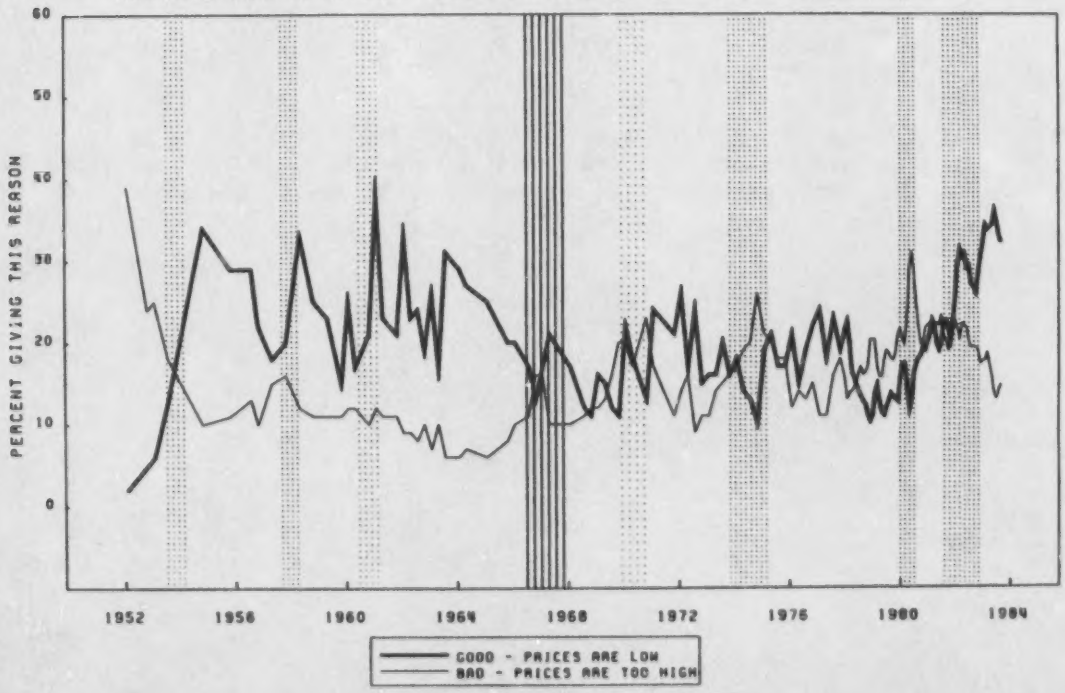


TABLE 27

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR LARGE HOUSEHOLD GOODS +

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
GOOD TIME TO BUY:													
Prices are low; good buys available	26%	28%	31%	32%	33%	38%	30%	36%	37%	35%	32%	33%	32%
Prices won't come down; are going higher	14	14	11	10	13	11	12	15	17	15	16	17	21
Interest rates low; credit is easy	4	5	5	8	7	8	12	14	13	16	13	12	12
BAD TIME TO BUY:													
Prices are high	21	18	18	16	19	18	19	16	12	13	14	15	15
Interest rates are high; credit is tight	20	16	17	13	12	13	13	11	8	6	7	6	7
Lack of purchasing power	21	21	24	21	22	16	18	15	16	12	9	11	11

Responses to the query: "Why do you say so?" following the question on Table 26.

+ : May add to more than 100% due to multiple mentions.

CHART 28 - RECENT CHANGES
BUYING CONDITIONS FOR HOUSES

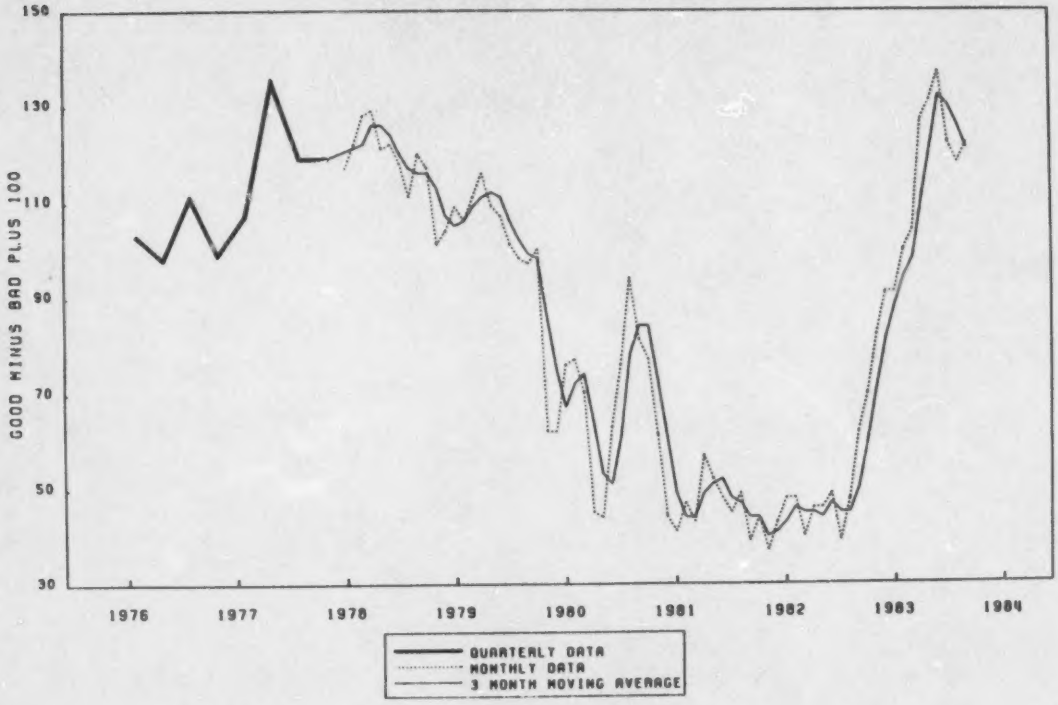


CHART 28 - HISTORICAL SERIES
BUYING CONDITIONS FOR HOUSES

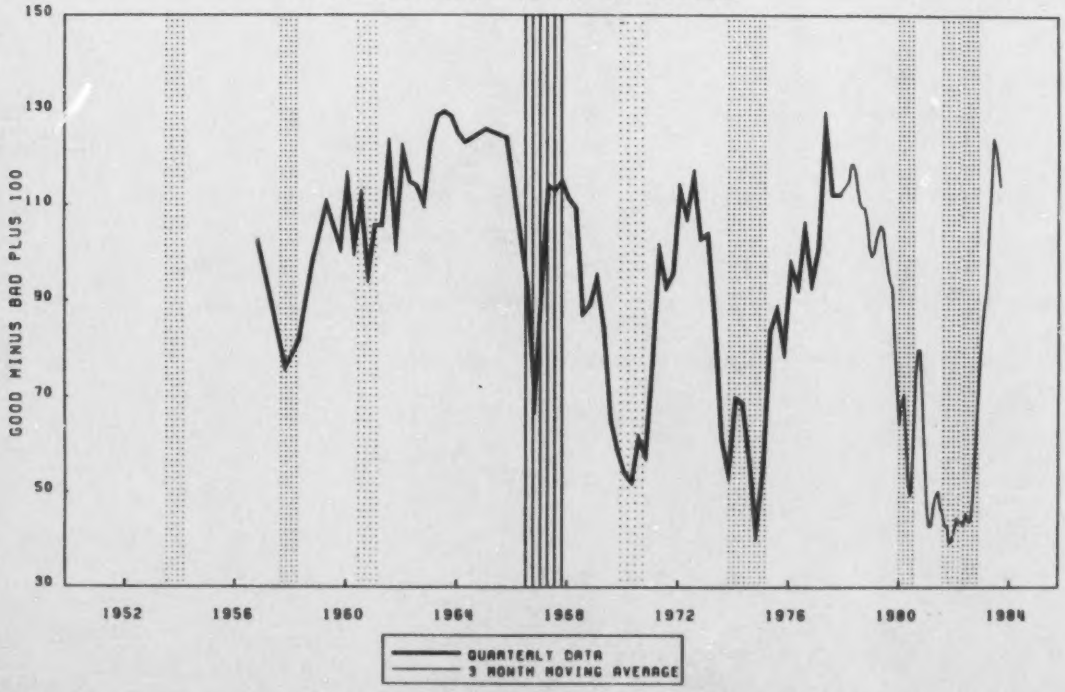


TABLE 28

BUYING CONDITIONS FOR HOUSES

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
GOOD TIME TO BUY	28%	32%	38%	44%	44%	49%	51%	61%	64%	66%	59%	57%	59%
UNCERTAIN, DEPENDS	6	6	6	3	3	2	?	5	3	5	4	4	4
BAD TIME TO BUY	66	62	56	53	53	49	47	34	33	29	37	39	37
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "Generally speaking, do you think now is a good time or a bad time to buy a house?"

CHART 29A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

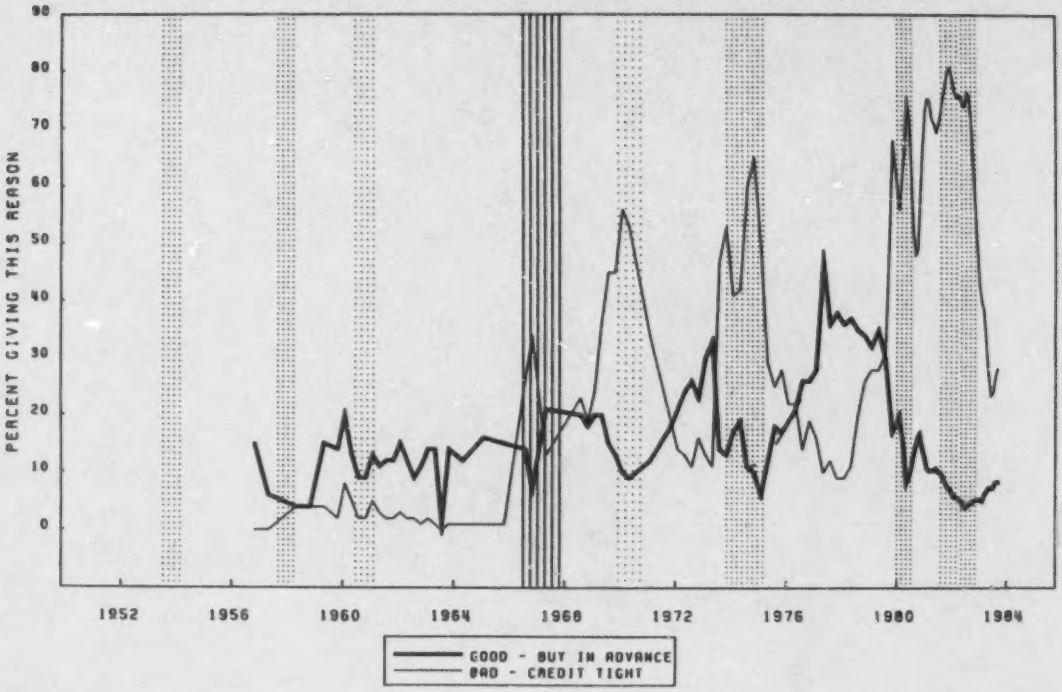


CHART 29B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES

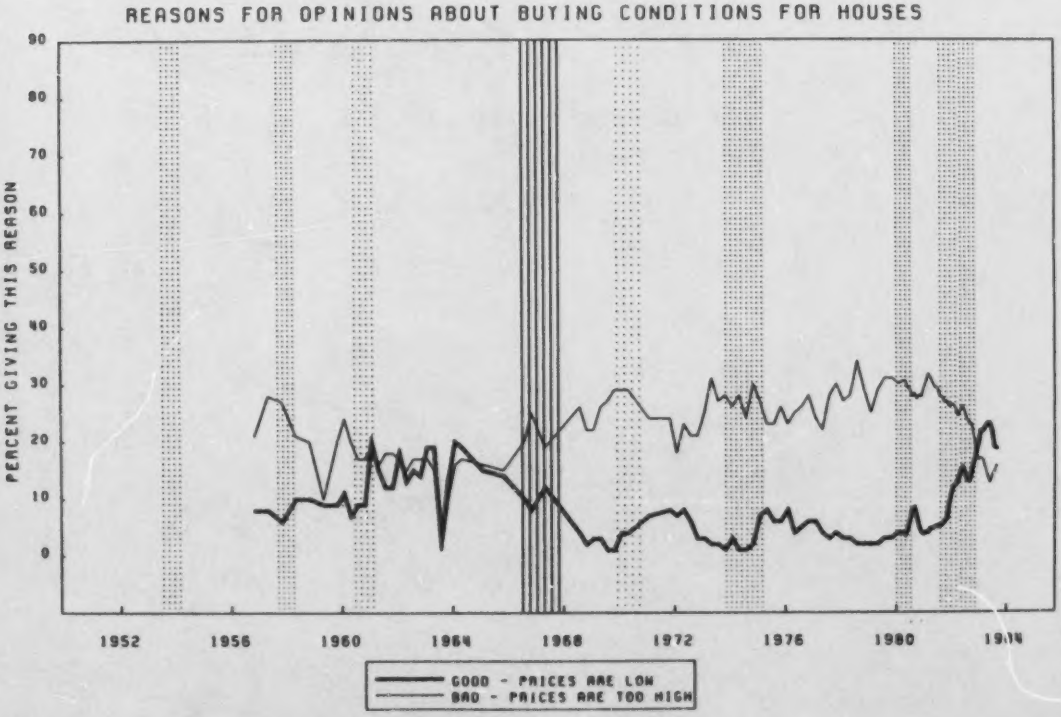


TABLE 29

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR HOUSES +

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
GOOD TIME TO BUY:													
Prices are low; good buys available	15%	17%	17%	20%	21%	24%	20%	24%	25%	20%	20%	17%	19%
Prices won't come down; are going higher	5	5	6	5	5	5	8	7	7	8	7	10	8
Interest rates low; credit is easy	20	23	30	35	37	40	44	54	57	61	49	44	47
Good investment	3	2	4	6	4	4	3	5	4	7	5	8	6
BAD TIME TO BUY:													
Prices are high	25	21	16	17	17	17	16	13	12	13	17	14	16
Interest rates are high; credit is tight	64	60	49	40	41	39	35	24	23	23	26	31	28
Lack of purchasing power	21	23	23	23	24	20	21	14	16	11	12	14	14

Responses to the query: "Why do you say so?" following the question on Table 28.

+ : May add to more than 100% due to multiple mentions.

CHART 30 - RECENT CHANGES
BUYING CONDITIONS FOR CARS

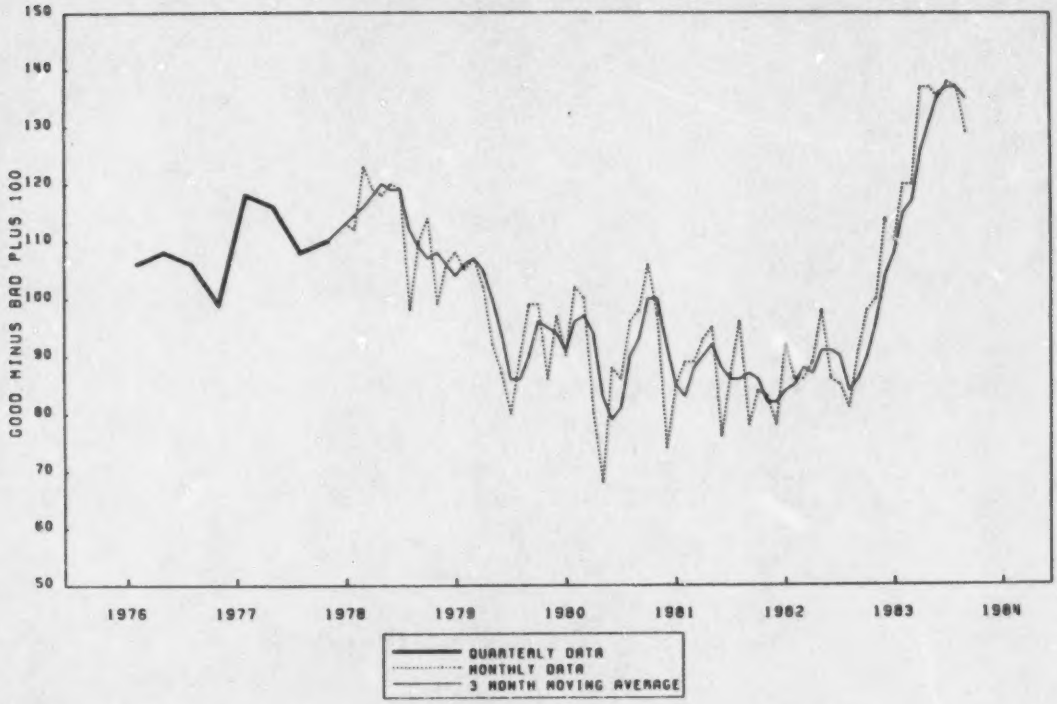


CHART 30 - HISTORICAL SERIES
BUYING CONDITIONS FOR CARS

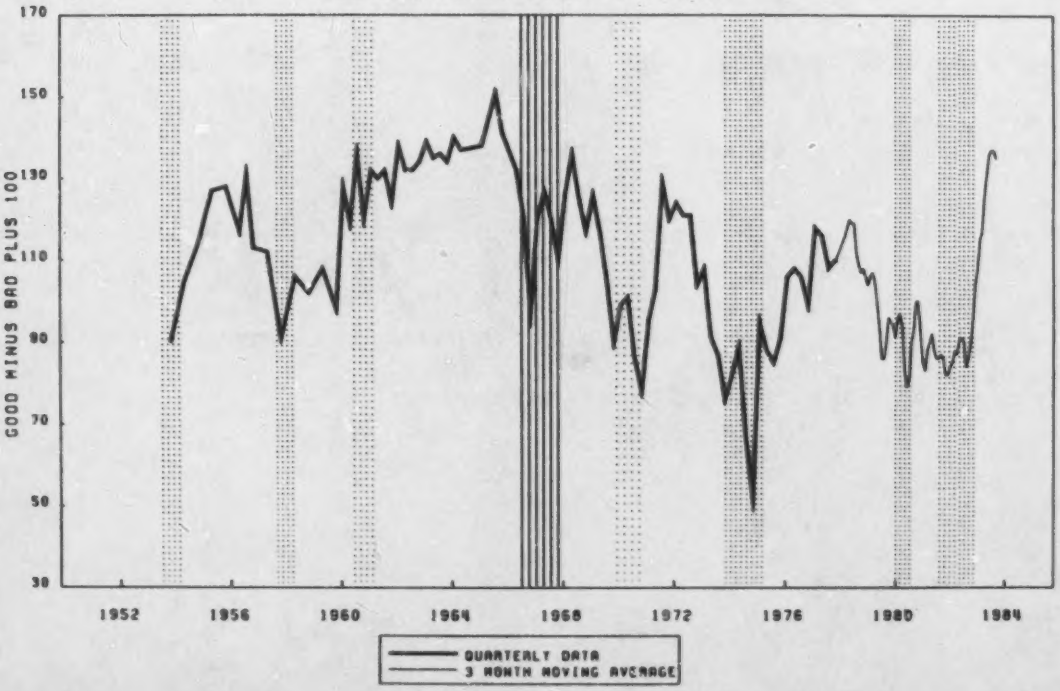


TABLE 30

BUYING CONDITIONS FOR CARS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
GOOD TIME TO BUY	40%	44%	46%	53%	51%	57%	56%	66%	66%	63%	65%	65%	61%
UNCERTAIN; DEPENDS	11	10	8	8	8	6	8	5	5	9	8	7	7
BAD TIME TO BUY	49	46	46	39	41	37	36	29	29	28	27	28	32
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "Speaking now of the automobile market--do you think the next 12 months or so will be a good time or a bad time to buy a car?"

CHART 31A - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

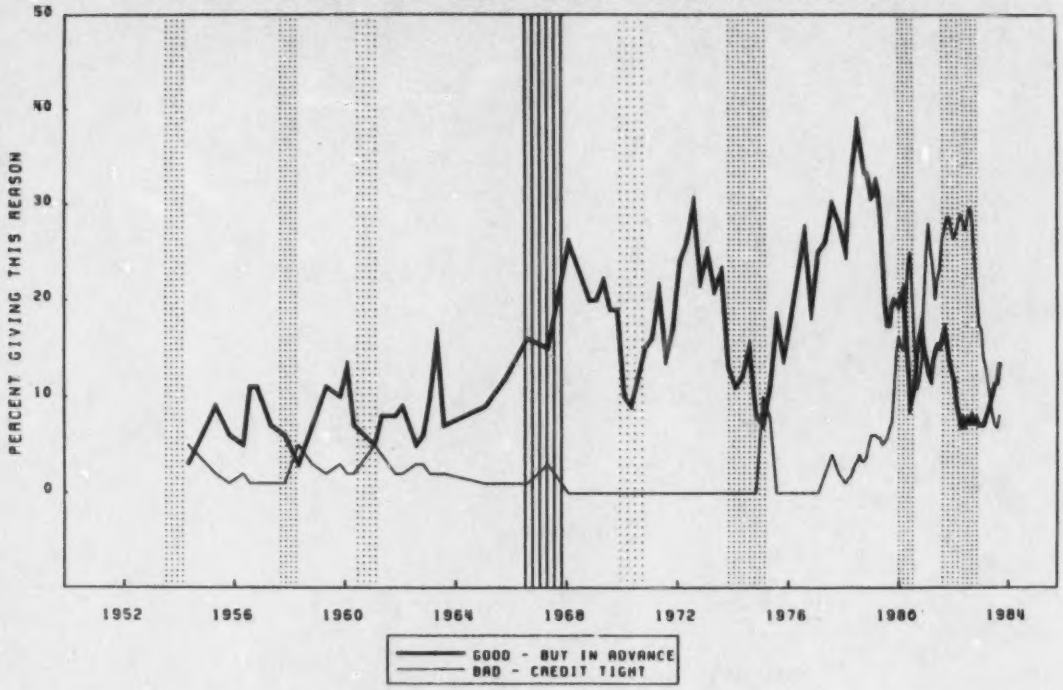


CHART 31B - HISTORICAL SERIES

REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS

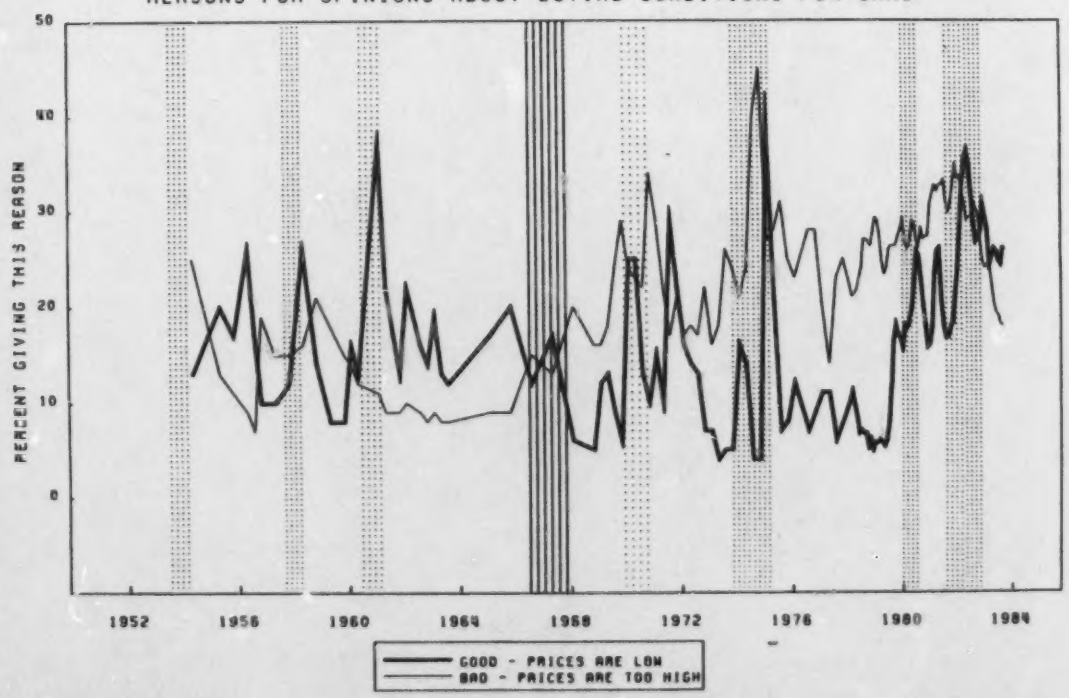


TABLE 31

SELECTED REASONS FOR OPINIONS ABOUT BUYING CONDITIONS FOR CARS +

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
GOOD TIME TO BUY:													
Prices are low; good buys available	26%	29%	28%	35%	25%	24%	24%	28%	26%	23%	25%	25%	28%
Prices won't come down; are going higher	8	7	8	6	7	8	8	8	12	11	11	12	17
Interest rates low; credit is easy	10	11	20	27	29	35	34	40	40	40	37	33	28
New fuel efficient models	1	1	1	1	2	1	2	2	*	1	2	1	2
BAD TIME TO BUY:													
Prices are high	31	26	25	23	24	26	23	19	19	20	18	16	20
Interest rates are high; credit is tight	25	19	19	14	18	10	11	11	7	6	8	6	10
Lack of purchasing power	14	14	15	13	12	12	10	7	7	7	7	9	6
Price of gas; shortages	1	*	1	1	1	*	*	*	1	1	*	1	*
Poor selection; quality	7	7	7	7	6	5	5	5	5	6	5	4	4

Responses to the query: "Why do you say so?" following the question on Table 30.

+ : May add to more than 100% due to multiple mentions.

* : Less than half of one percent.

CHART 32 - RECENT CHANGES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

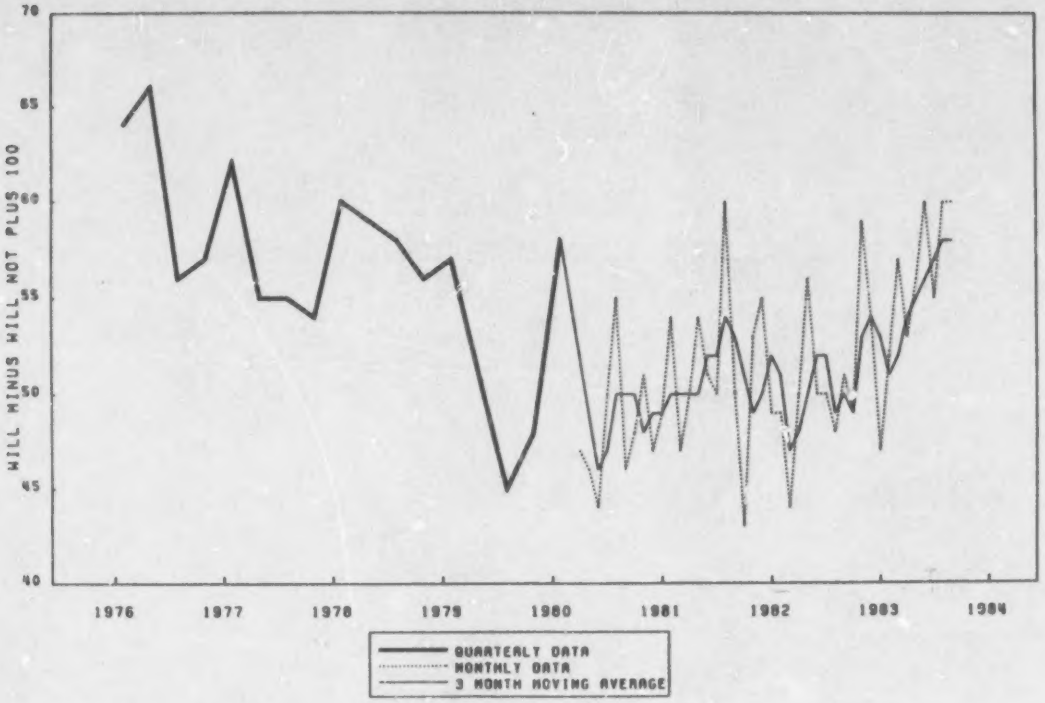


CHART 32 - HISTORICAL SERIES

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

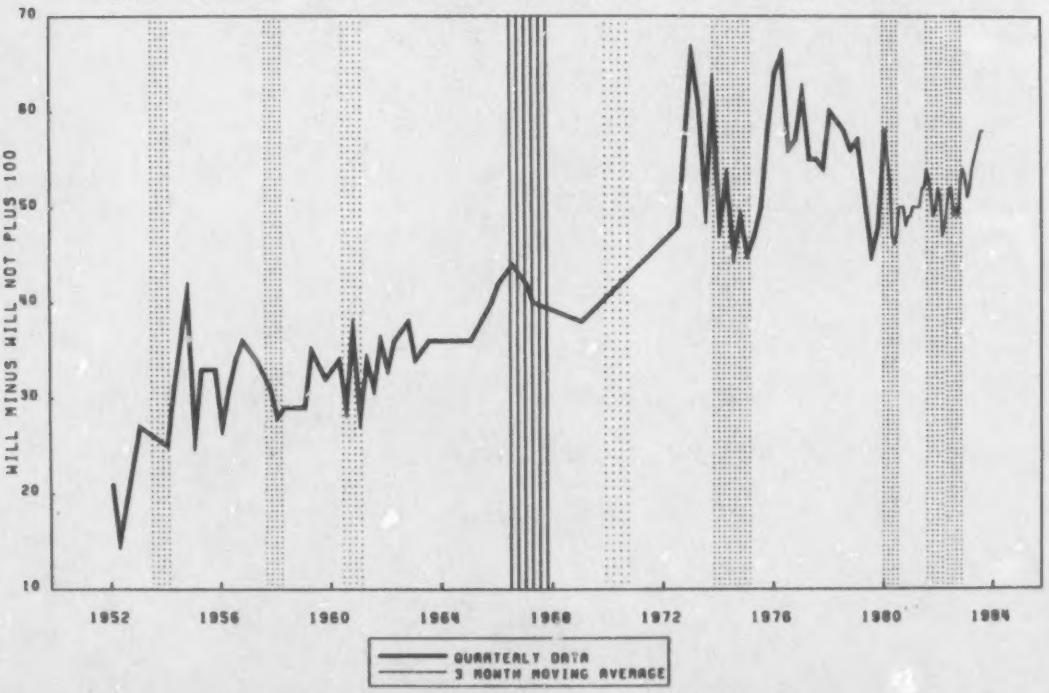


TABLE 32

PLANS TO PURCHASE AN AUTOMOBILE DURING THE NEXT 12 MONTHS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
PROBABLY WILL BUY	18%	16%	21%	20%	15%	17%	20%	17%	17%	22%	18%	21%	21%
CHANCES ARE EVEN	5	7	8	8	7	8	7	9	9	7	6	7	9
PROBABLY WILL NOT BUY	67	67	62	66	68	65	63	64	61	62	63	61	61
DK,NA	10	10	9	6	10	10	10	10	13	9	13	11	9
TOTAL	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
CASES	695	687	682	682	682	709	696	707	700	714	680	673	704

The question was: "What do you think are the chances that you (or anyone else in your family living there) will buy or lease a car during the next 12 months--would you say you probably will, probably will not, or are the chances about even, or what?"

TABLE 33

CURRENT VEHICLE PURCHASE INTENTIONS

	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
PROPORTION WITH CURRENT PURCHASE INTENTIONS:	23%	23%	29%	28%	22%	25%	27%	26%	26%	29%	24%	28%	30%
PURCHASE TYPE:													
Buy new	10	11	11	15	10	12	13	14	12	13	11	15	13
Buy used	12	11	15	10	10	11	12	11	11	13	11	11	14
Lease	*	1	2	2	1	1	1	*	2	2	1	1	1
DK,NA	1	*	1	1	1	1	1	1	1	1	1	1	2
PURCHASE TIMING:													
Next 3 months	2	4	4	2	3	3	1	6	2	1	4	5	2
Next 4-6 months	5	5	6	6	6	6	7	6	7	10	6	4	7
Next 7-9 months	4	5	8	6	4	7	9	7	8	8	3	5	5
10 months or more	7	5	7	7	4	5	6	2	4	4	6	7	9
DK,NA	5	4	4	7	5	4	4	5	5	6	5	7	7

If response was "PROBABLY WILL BUY" or "CHANCES ARE EVEN" in Table 32, then the questions were: "If you do buy or lease a car, would it be a new car, or a used car?" , "Would you buy or lease?" and "When do you think you might buy or lease a car?"

* : Less than half of one percent.

TABLE 34

FUTURE VEHICLE PURCHASE INTENTIONS

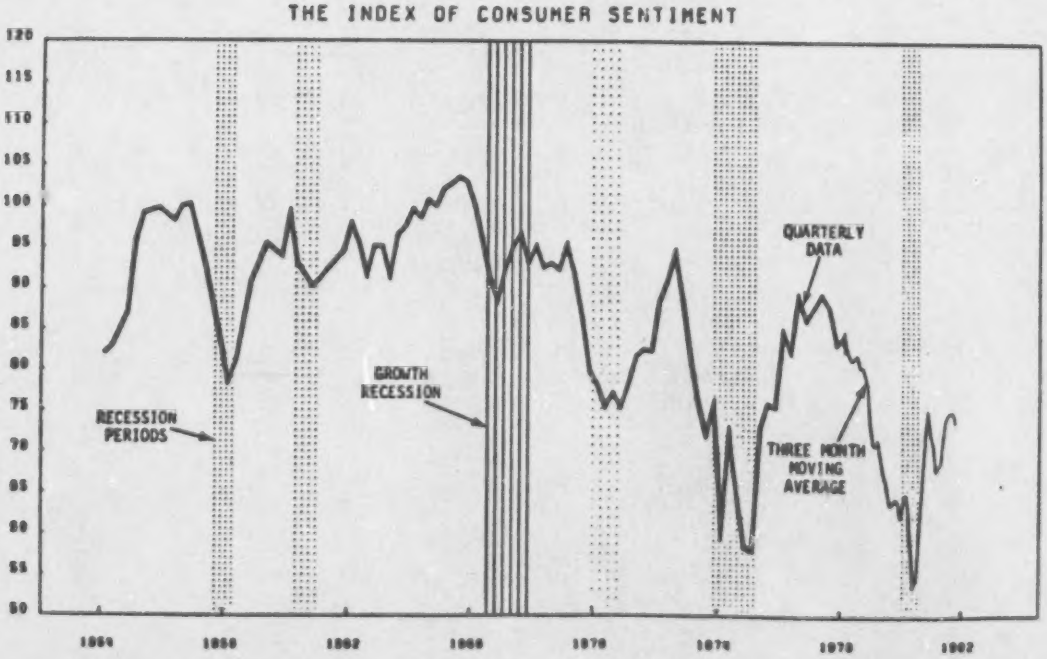
	Sept 1982	Oct. 1982	Nov. 1982	Dec. 1982	Jan. 1983	Feb. 1983	Mar. 1983	Apr. 1983	May 1983	June 1983	July 1983	Aug. 1983	Sept 1983
PROPORTION WITH FUTURE PURCHASE INTENTIONS:	67%	67%	62%	66%	68%	65%	63%	64%	61%	62%	63%	61%	61%
PURCHASE TYPE:													
Would buy new	37	39	34	40	36	34	31	38	36	37	37	33	33
Would buy used	29	27	26	24	30	29	31	25	24	24	24	27	27
DK,NA	1	1	2	2	2	2	1	1	1	1	2	1	1
PURCHASE TIMING:													
Less than 2 years	5	5	7	7	8	8	6	8	7	6	8	6	8
2 years	23	23	22	22	23	19	20	22	24	20	23	21	22
3 years	11	11	8	10	10	10	11	12	10	10	9	9	10
4 years or more	20	19	18	17	21	20	21	16	18	21	18	18	15
Indefinite	3	3	2	4	2	2	1	2	1	1	2	2	2
DK,NA	5	6	5	6	4	6	4	4	1	4	3	5	4

If response was "PROBABLY WILL NOT BUY" in Table 32, then the questions were: "If you were to buy a car, would it be a new car or a used car? and "How long do you think it may be before will buy or lease a car?"

EXPLANATORY CHARTS

CHART 1 - RECENT CHANGES
THE INDEX OF CONSUMER SENTIMENT

CHART 1 - HISTORICAL SERIES
THE INDEX OF CONSUMER SENTIMENT



DESCRIPTION OF CHART LINES

QUARTERLY DATA: Data collected by surveys conducted at three-month intervals before 1978.

MONTHLY DATA: Data collected by surveys conducted each month since January of 1978.

THREE-MONTH MOVING AVERAGE: Each point plotted represents the average of the three monthly observations ending at the date plotted.

TIME SCALE LABELS

Each tic mark on the time scale represents the month of January for the indicated year.

NATIONAL BUREAU OF ECONOMIC RESEARCH, REFERENCE DATES FOR RECESSIONS

DATES:	November	1948	- October	1949
	July	1953	- May	1954
	August	1957	- April	1958
	April	1960	- February	1961
	June	1966	- November	1967*
	December	1969	- November	1970
	November	1973	- March	1975
	January	1980	- July	1980
	July	1981	- November	1982

Notes:

RECESSION PERIOD: Reduction in the national output of goods and services, generally lasting at least two quarters.

*GROWTH RECESSION: Retardation in the rate of growth of output and employment (usually followed by a recession and always the initial stage of a recession).

APPROXIMATE SAMPLING ERRORS[a] OF SURVEY FINDINGS

(In percentages by size of sample or subgroup)

Reported Percentages	Number of Interviews		
	700[b]	1,400[c]	2,100[d]
50	4.2	3.2	2.8
30 or 70	3.8	2.9	2.5
20 or 80	3.4	2.6	2.2
10 or 90	2.5	1.9	1.6
5 or 95	1.8	1.4	1.2

---

[a]The figures in this table represent two standard errors. Hence, for most items the chances are 95 in 100 that the value being estimated lies within a range equal to the reported percentages, plus or minus the sampling error.

[b]Average size of monthly surveys.

[c]Average size of two monthly surveys.

[d]Average size of three monthly surveys (one quarter).